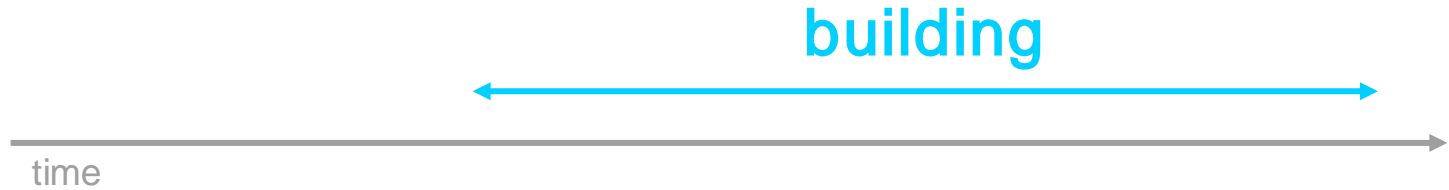


# Communicating the strategy internally

# Strategic thinking starts during the planning process.



And gets adjusted as you learn while building your product.



**In the beginning, the team needs framing to understand the space.**



Once they know the problem, the backlog communicates the strategy.



**What is framing?**

# 1/ Vision

## Why we're here

The problem you're solving (or opportunity you're addressing) and why it's important.

## Our impact

What, exactly, we're doing to make a difference. There are a lot of different ways to attack a problem—we have to pick one.

## Measurement

Building products without a feedback loop is guesswork. Measurement and metrics help us make sure that our solutions are having the impact that we want.



# 2/ Constraints

# Guiding questions

- What policies affect the solution?
  - Which parts are law?
  - Which parts are culture?
  - Which parts are best practices?
- What legacy systems are in place? What do we know about them?
- Are there existing tools in this space?
  - What is good about them?
  - What could be better?
  - How popular are these tools?

# 3/ Challenges

# Guiding questions

- What experts do you have access to? What are they worried about?
- What hard **policy problems** will the team have to solve?
- What hard **design problems** will the team have to solve?
- What hard **technical problems** will the team have to solve?
- What dependencies will you have on other people?

**How does the backlog relate to the strategy?**

**A prioritized backlog tells the team what is and is not important to work on.**

A prioritized backlog tells the team what is and is not important to work on. **It shows what part of the system they should work on, and what parts they should leave alone.**

A prioritized backlog tells the team what is and is not important to work on. It shows what part of the system they should work on, and what parts they should leave alone. **It's an implicit communication of direction.**



**“The backlog is the manifestation of the strategy”**

**— Jeff D., CA Child Welfare**

# Writing customer promises

**Customer promises help you frame the overall impact of your project, not just specific feature sets.**

**Every piece of work that anyone on the project does, no matter how big or small, must somehow support your customer promises.**

# Drawing from your vision statement

**A vision statement isn't a plan; it's a direction and a value system.**

A vision statement isn't a plan; it's a direction and a value system. **You have to break it down into a clear plan of action.**

A vision statement isn't a plan; it's a direction and a value system. You have to break it down into a clear plan of action. **Think about your vision — what are its components?**



## Example (Amazon):

**Our vision is to be earth's most customer centric company; to build a place where people can come to find and discover anything they might want to buy online.**

Example (Amazon):

Our vision is to be **earth's most customer centric company**; to build a place where people can come to find and do everything they might want to buy online.

**The aspiration**

Example (Amazon):

Our vision is to be earth's most customer centric company; to build a place where people can come to find and discover anything they might want to buy online.

**Realistic goal**

Example (Amazon):

**Piece of  
the vision**

is to be earth's most  
customer-centric company; to build  
a place where people can come to  
find and discover **anything they  
might want to buy online.**

Example (Amazon):

**Piece of  
the vision**

Our vision is to be the world's most  
customer-centric company; to build  
a place where people can come to  
find and **discover anything they  
might want to buy online.**

# Drawing out customer promises

**Now that we understand the pieces of the vision, let's look at the end user experiences that enable them. These are the customer promises.**

**Customer promise:**  
**An Amazon customer can find (and buy) a product stocked by Amazon.**



**Customer promise:**  
**An Amazon customer can discover  
useful and interesting new products.**

**It's also important to think about how stakeholders and third parties fit into your vision. They may not be explicitly named, but they are still affected by your product choices.**

**Stakeholder promise:**  
**An Amazon retailer can promote new products to customers.**

# Practice

# Writing out your customer promises

What are the core components of your vision? Think in terms of services that you can provide to your end users.

Who are your end users? Do you have more than one group? What do they want to use your product to *do*? These high level workflows are your customer promises.

Who are your stakeholders? What do *they* want your product to do? How does that affect your end users?

# Coordinating customer promises across teams

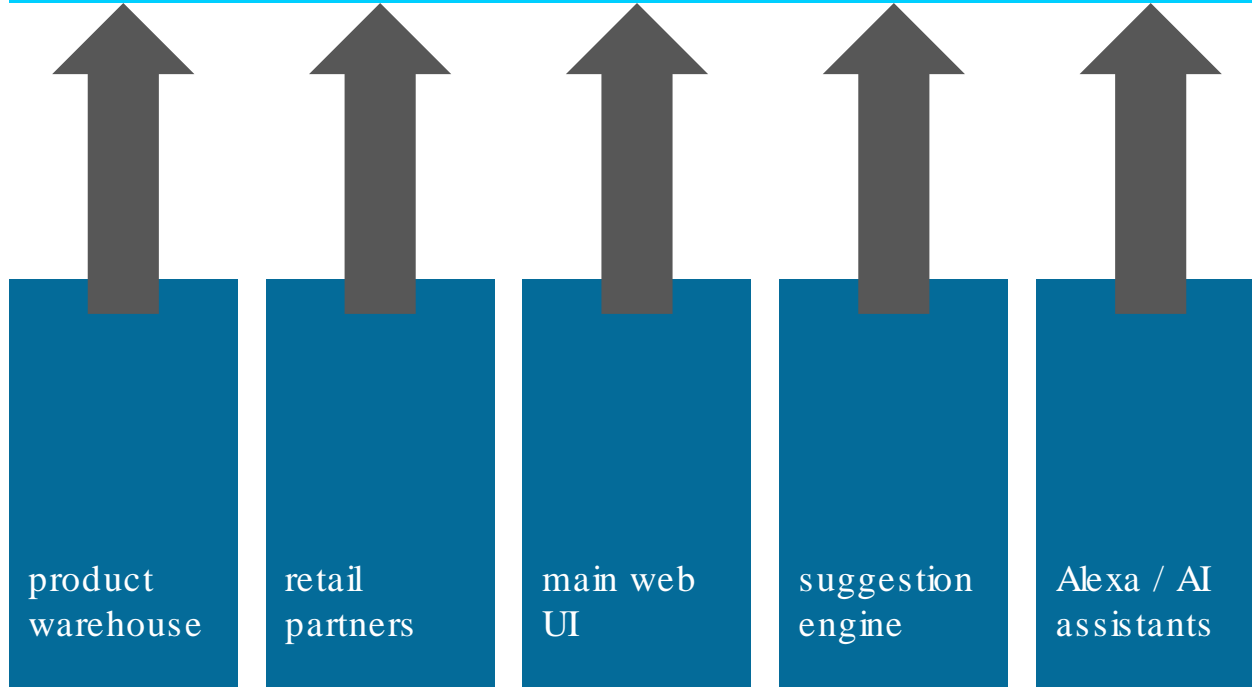
**Customer promises often span multiple facets of the product (and the organization).**

# Let's go back to Amazon's vision:

a place where people can come to find and discover anything they might want to buy online

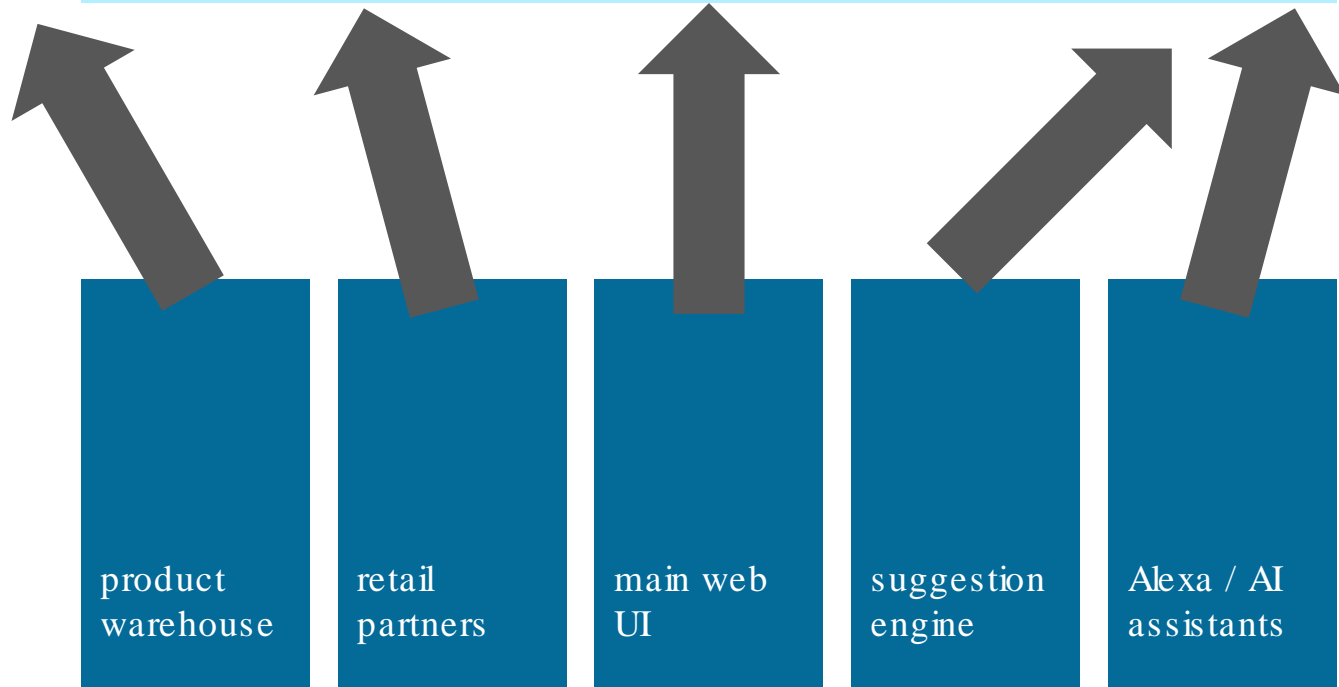


a place where people can come to find and discover anything they might want to buy online



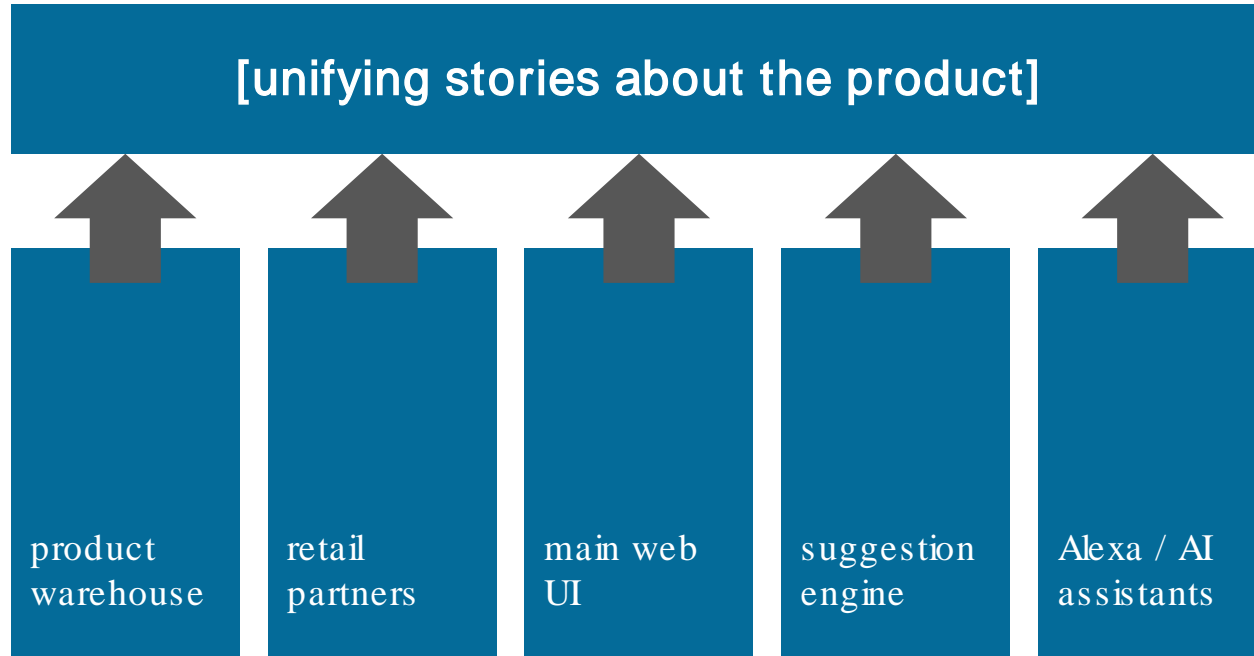
**Many teams support that vision.**

a place where people can come to find and discover  
anything they might want to buy online



**But it's hard to keep them aligned.**

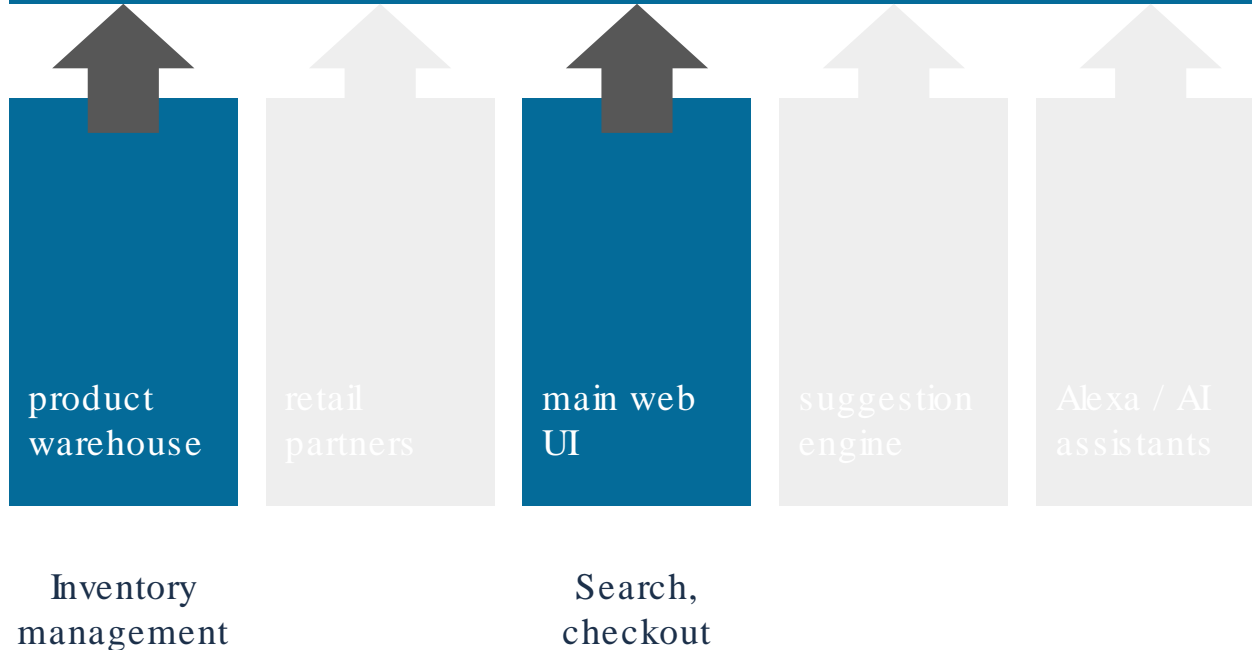
a place where people can come to find and discover anything they might want to buy online



**Clear, actionable stories help.**

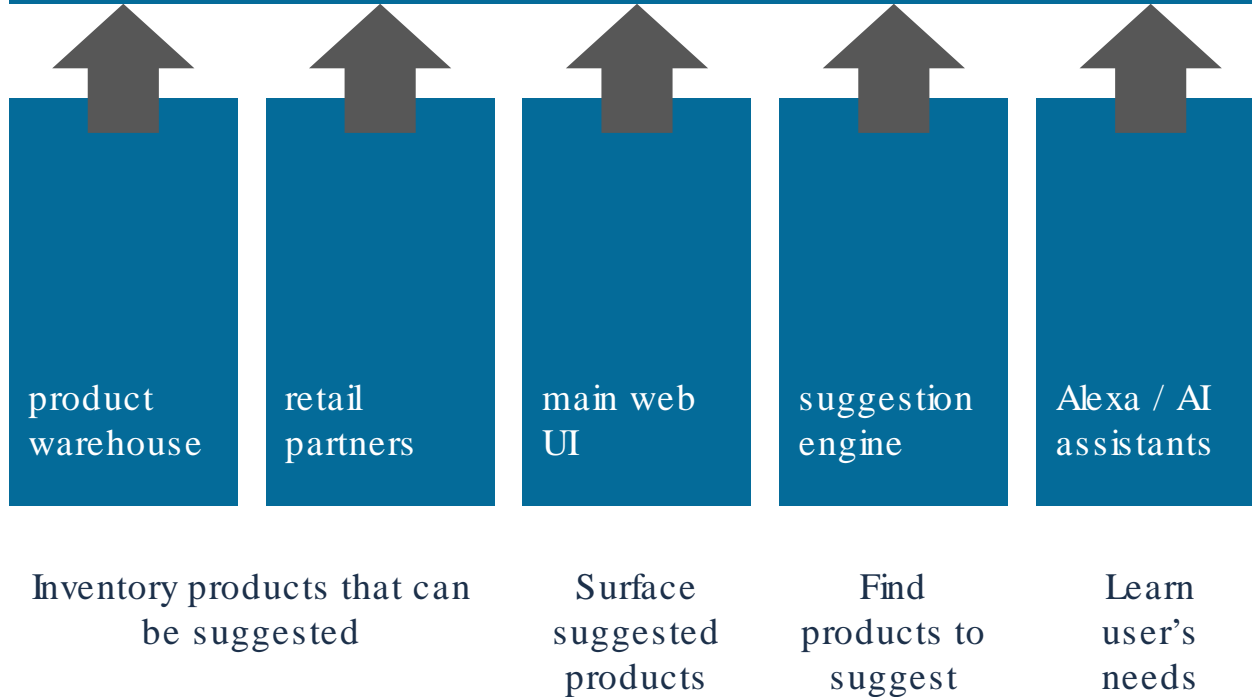
a place where people can come to find and discover anything they might want to buy online

An Amazon customer can find (and buy) a product stocked by Amazon.



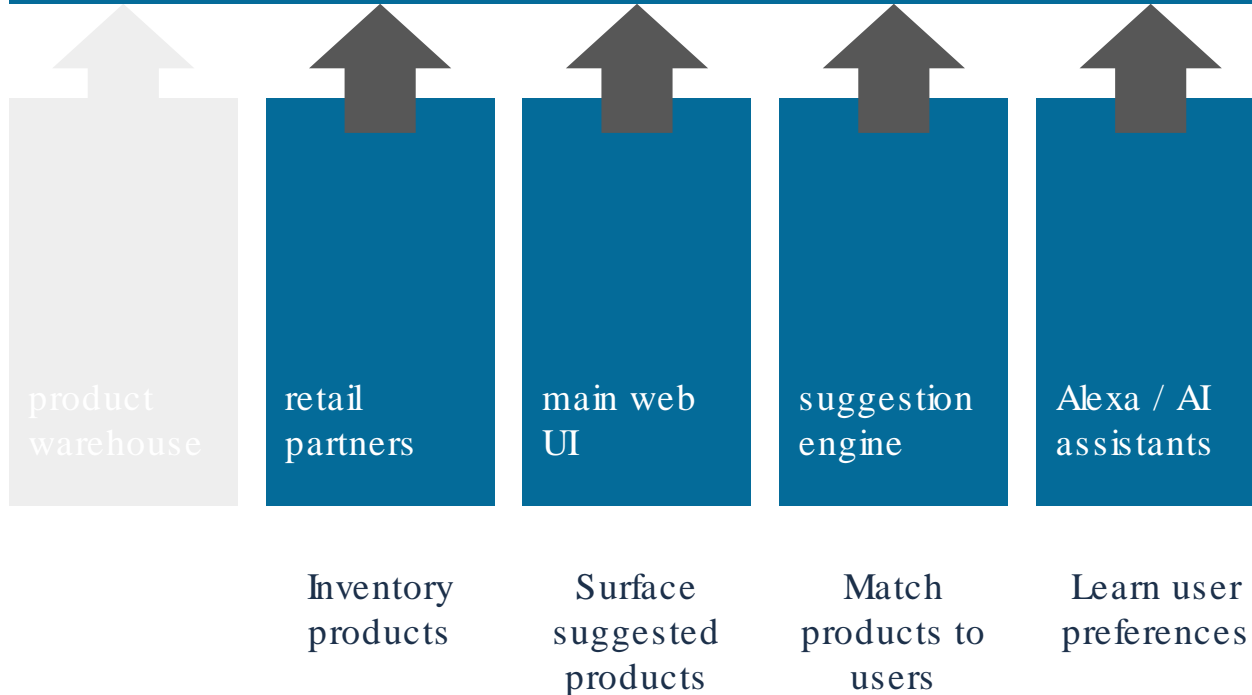
a place where people can come to find and discover anything they might want to buy online

An Amazon customer can discover useful and interesting new products.



a place where people can come to find and discover anything they might want to buy online

An Amazon retailer can promote new products to customers.



# Using customer promises to drive development

**Once you have customer promises,  
what do you do with them?**



**PM rule of thumb:  
When in doubt, prioritize.**

**Which customer promises do you  
need to knock out of the park?  
Which ones just need to get done?  
Which ones are nice-to-haves?**

**Then think about timing.**

Then think about timing. There are customer promises that naturally fit together, because they rely on shared infrastructural work.

Then think about timing. There are customer promises that naturally fit together, because they rely on shared infrastructural work. **Even if they're different priority levels, it makes sense to group them.**

**You can use that to create a rough roadmap for your product.**

You can use that to create a rough roadmap for your product. **Try not to have too many customer promises in play at any one time — your team needs to be able to keep track of what promises they're working on!**

## Remember:

Every piece of work that anyone on the project does, no matter how big or small, must somehow support your customer promises.



**That means that each of your work items should be explicitly connected to the customer promise(s) that they support.**

That means that each of your work items should be explicitly connected to the customer promise(s) that they support. **And, barring exceptions, the team should only work on items that support customer promises that are currently in play.**

# Market analysis

# market

*noun*

**the environment, context and any other factor that can influence the success of a product.**

An understanding of those factors will allow you to identify the **opportunities** and **obstacles** that will affect your product.

**Opportunities** - there will be more than we can deliver on. We will look at frameworks to decide and prioritize which we will pursue.

**Obstacles** - some obstacles we will move, others we will accept as constraints.

# analysis frameworks (some)



**Most product managers have some understanding of the problem at hand.**

Most product managers have some understanding of the problem at hand.

**So why use frameworks?**

To cultivate a **deep and methodical understanding** of our market.

To cultivate a deep and methodical understanding of our market.

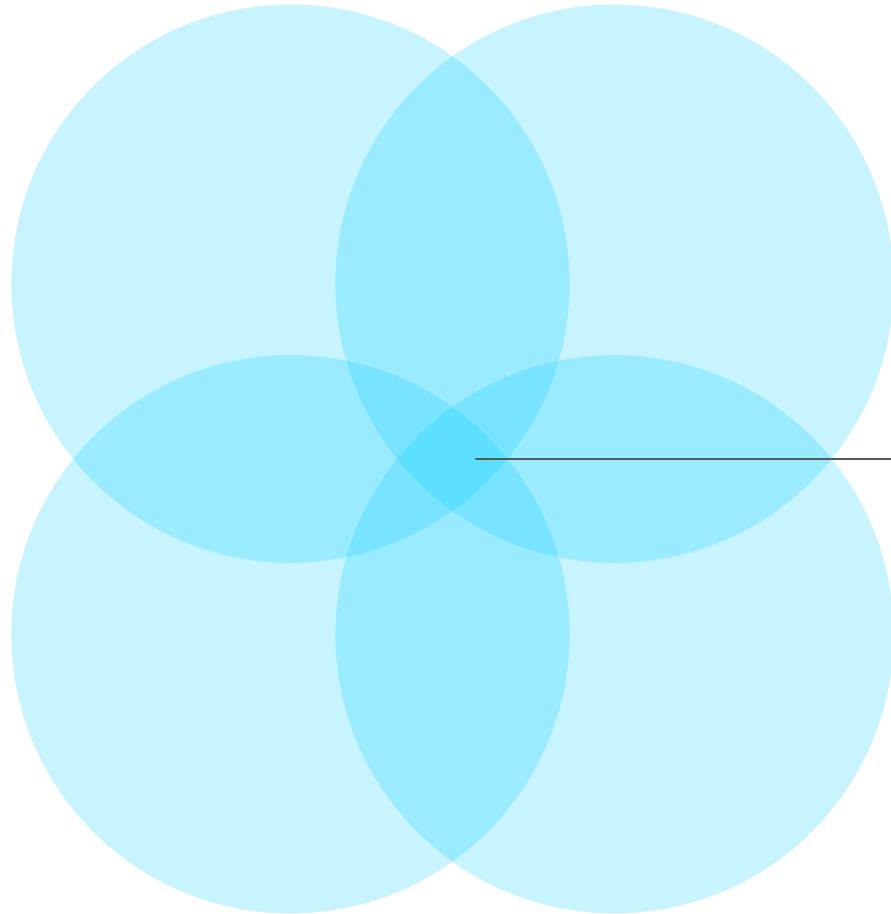
To take a **holistic view** of the problem.

To cultivate a deep and methodical understanding of our market.

To take a holistic view of the problem.

**To create a shared language and facilitate communication with all audiences.**

# Remember this?



Product managers sit at the intersection of design+research, development, business, policy, and politics.

# Our product managers

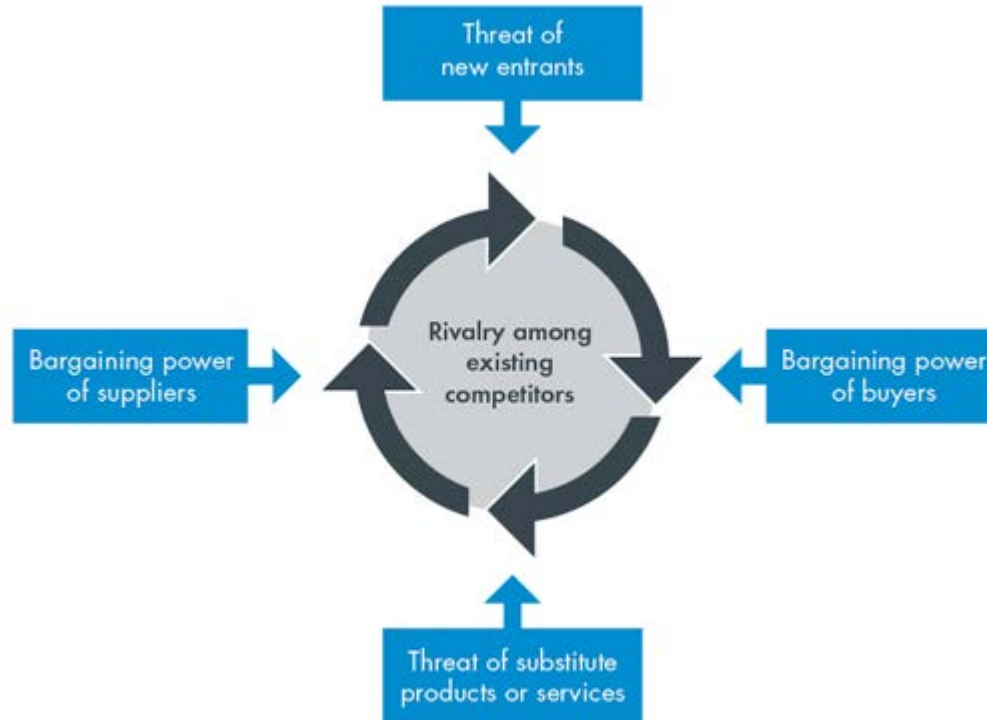
**EDWIN**, is the product manager for the healthcare.gov marketplace

**MARLENA**, is the product manager for a private marketplace in the individual health insurance industry

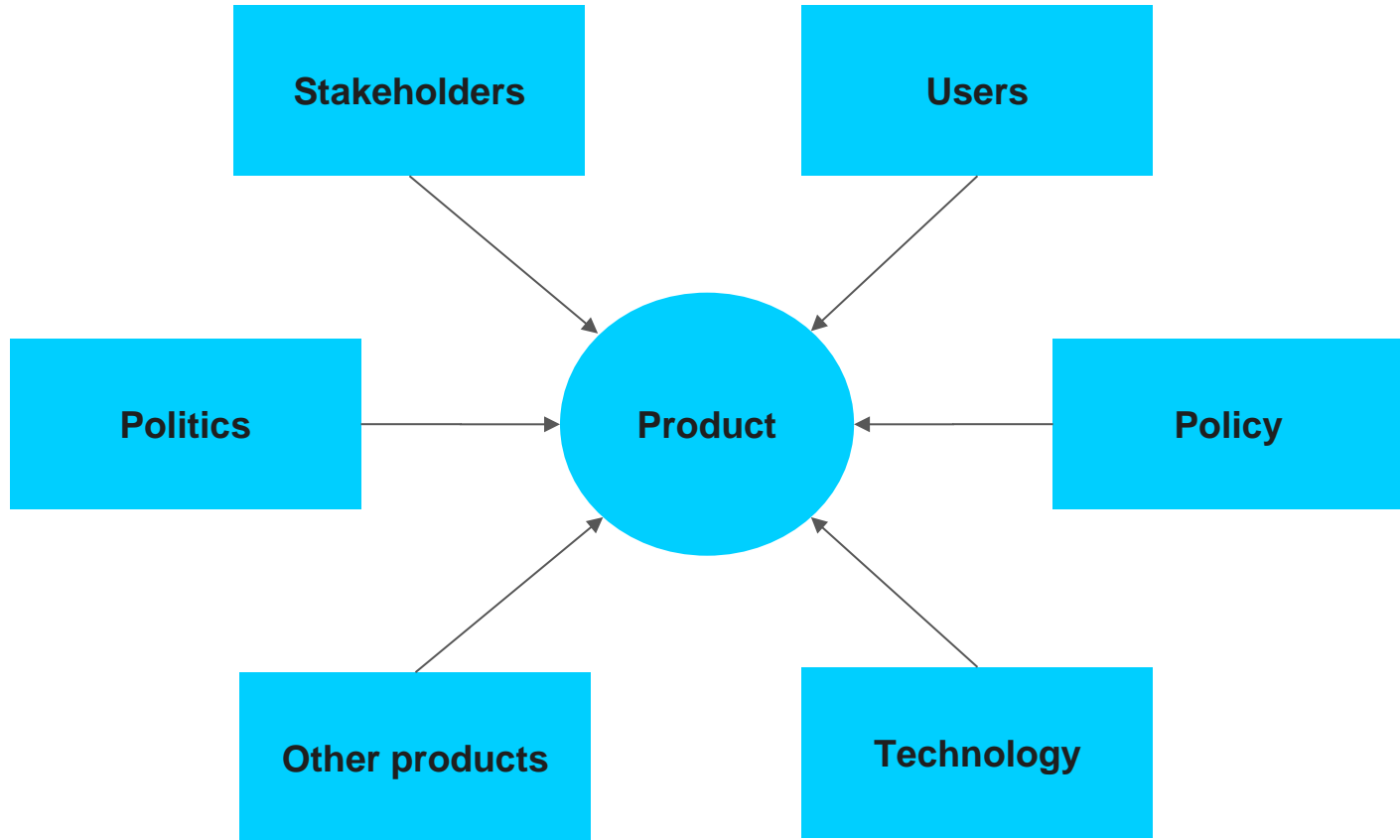
**Some frameworks are designed for a  
broad analysis.**



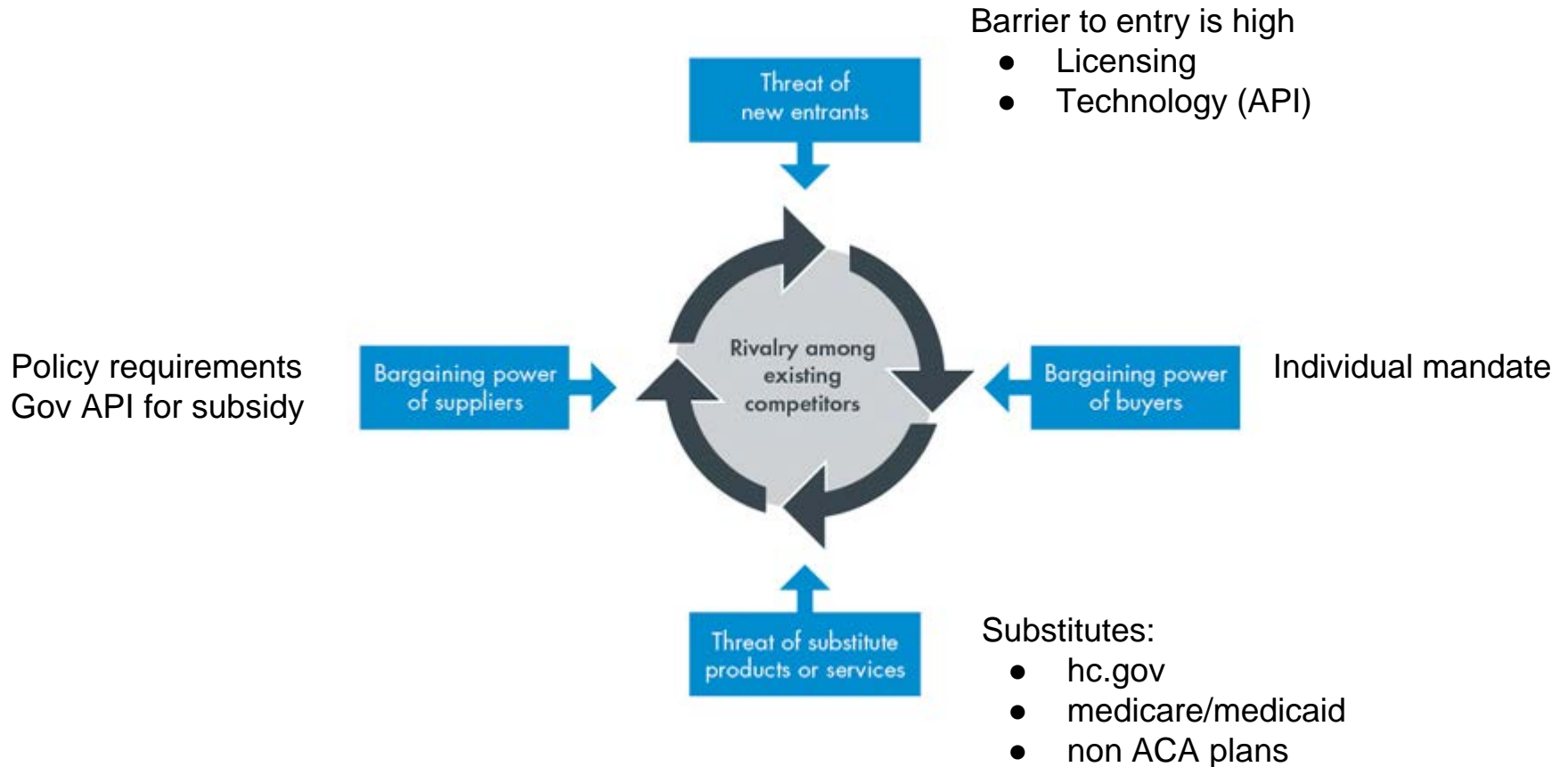
# Porter's 5 Forces



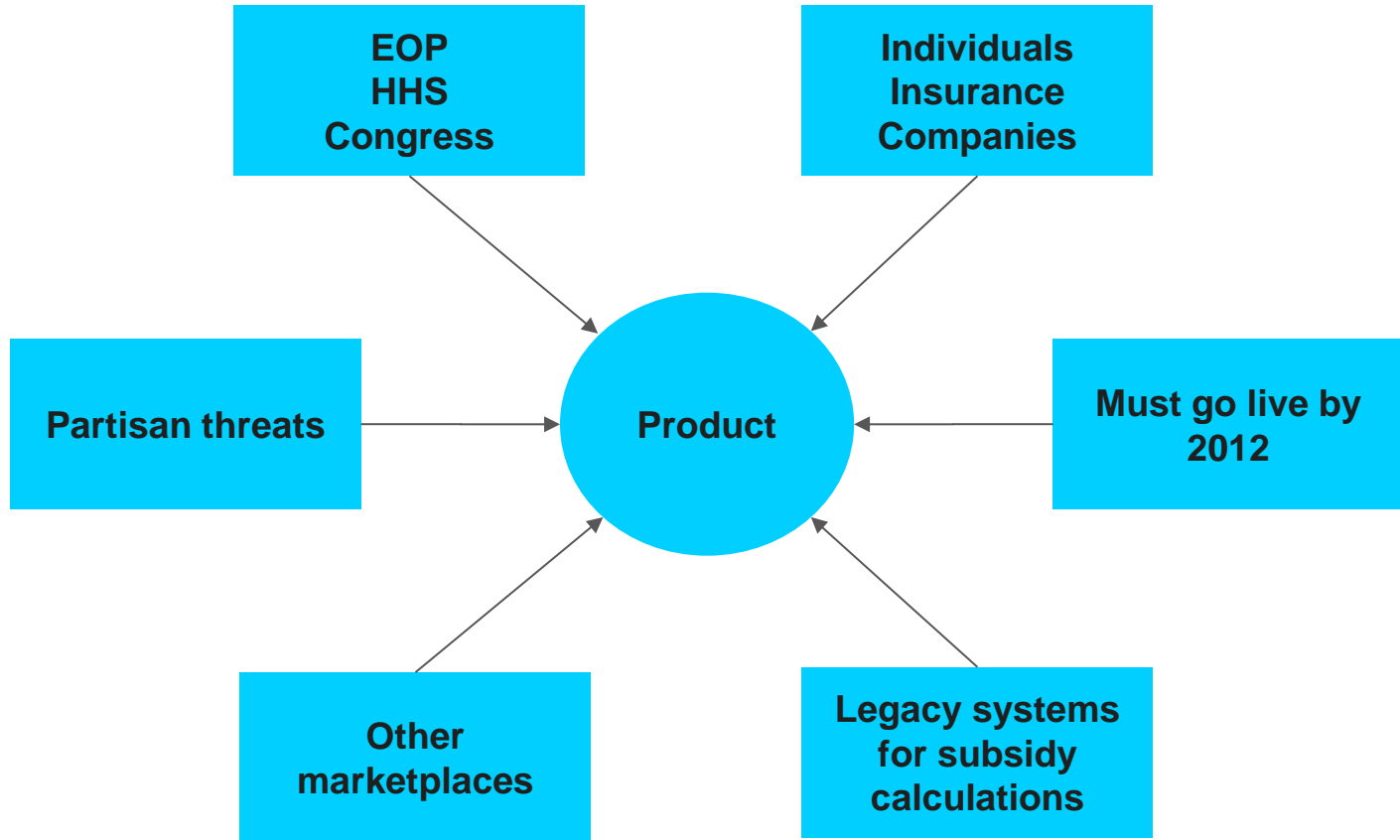
# Porta's 6 Forces (ha ha)



# Marlena's 5 Forces



# Edwin's 6 Forces (simplified)




# POEM / 6 Market Dynamics

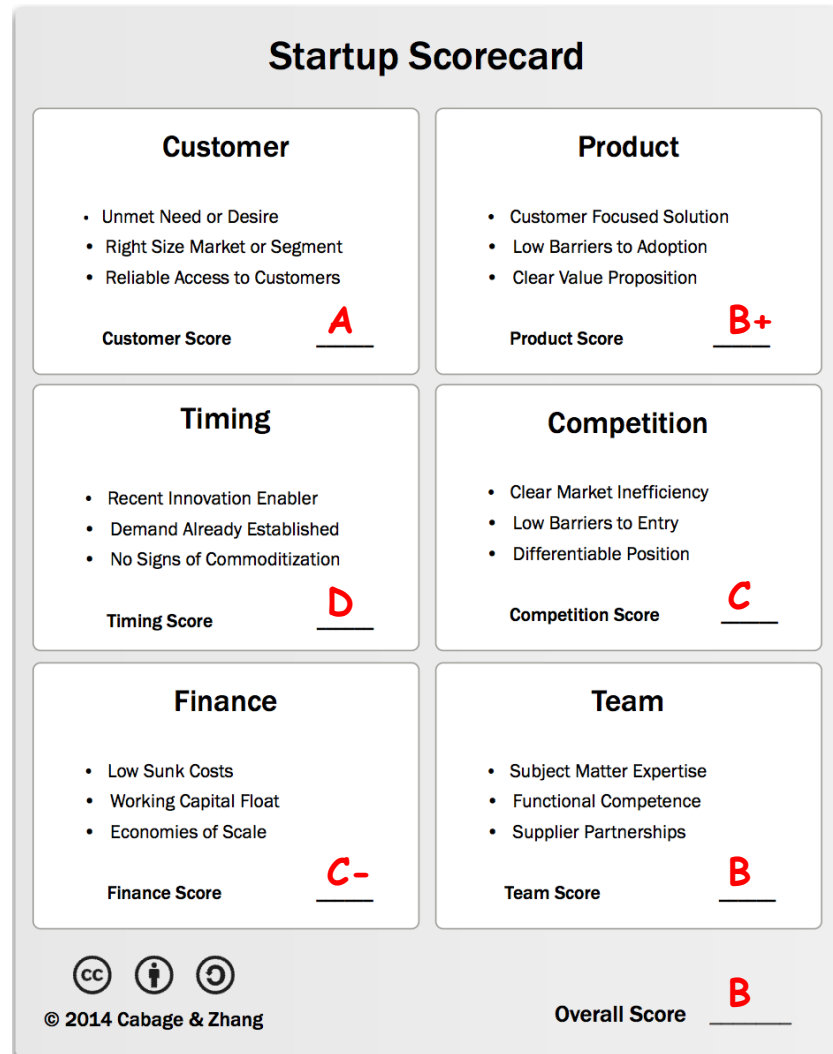


# 6 market dynamics: scorecard

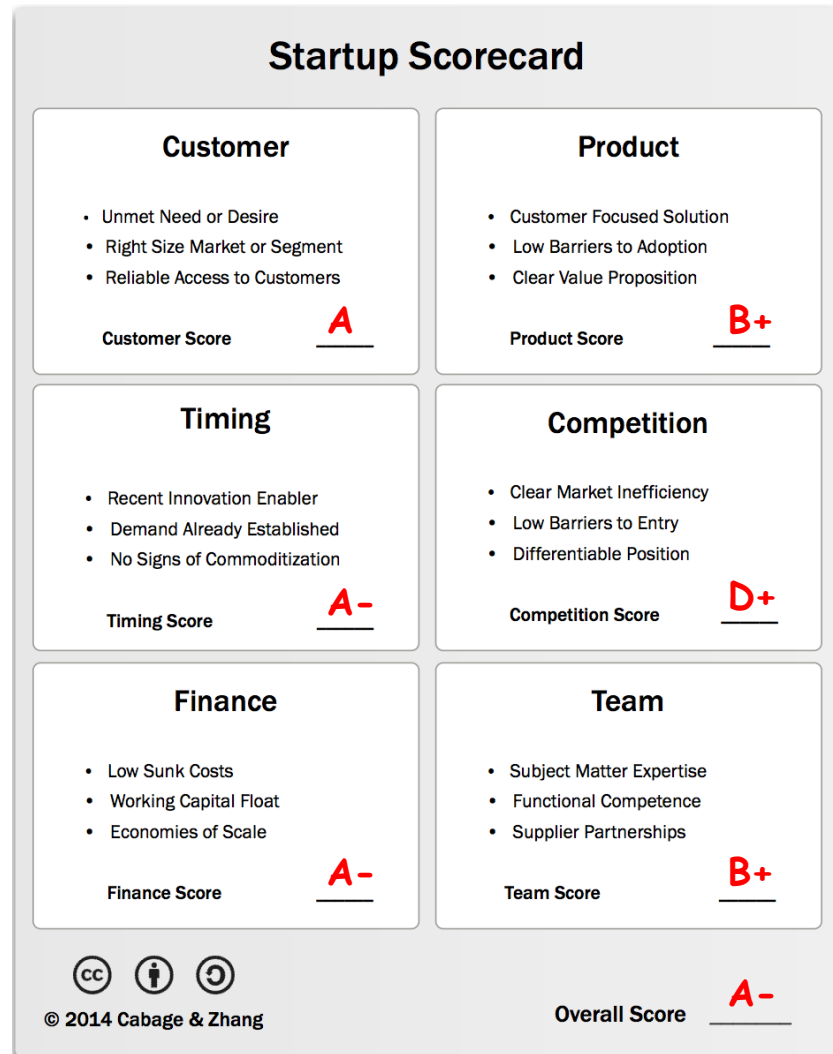
- **Customer** – Who are you going to serve and what need or desire do you plan to address?
- **Product** – What is the solution to the customer's need or desire and is it in a form that the customer will embrace?
- **Timing** – Is market timing favorable or are you going to be fighting an uphill battle?
- **Competition** – How strong is the competition and how open is the market to a new entrant?
- **Finance** – How much capital must you invest and do the returns justify the risk?
- **Team** – How fit is your team to be a leader in providing the proposed solution?

Startup Scorecard	
<b>Customer</b> <ul style="list-style-type: none"><li>• Unmet Need or Desire</li><li>• Right Size Market or Segment</li><li>• Reliable Access to Customers</li></ul> <b>Customer Score</b> _____	<b>Product</b> <ul style="list-style-type: none"><li>• Customer Focused Solution</li><li>• Low Barriers to Adoption</li><li>• Clear Value Proposition</li></ul> <b>Product Score</b> _____
<b>Timing</b> <ul style="list-style-type: none"><li>• Recent Innovation Enabler</li><li>• Demand Already Established</li><li>• No Signs of Commoditization</li></ul> <b>Timing Score</b> _____	<b>Competition</b> <ul style="list-style-type: none"><li>• Clear Market Inefficiency</li><li>• Low Barriers to Entry</li><li>• Differentiable Position</li></ul> <b>Competition Score</b> _____
<b>Finance</b> <ul style="list-style-type: none"><li>• Low Sunk Costs</li><li>• Working Capital Float</li><li>• Economies of Scale</li></ul> <b>Finance Score</b> _____	<b>Team</b> <ul style="list-style-type: none"><li>• Subject Matter Expertise</li><li>• Functional Competence</li><li>• Supplier Partnerships</li></ul> <b>Team Score</b> _____
<div> © 2014 Cabage &amp; Zhang</div> <div><b>Overall Score</b> _____</div>	

# Edwin's scorecard



# Marlena's scorecard





Some frameworks are designed for a broad analysis.

Others can be used for a more **narrow focus**.

# SWOT Analysis

	Helpful	Harmful
Internal		
External		

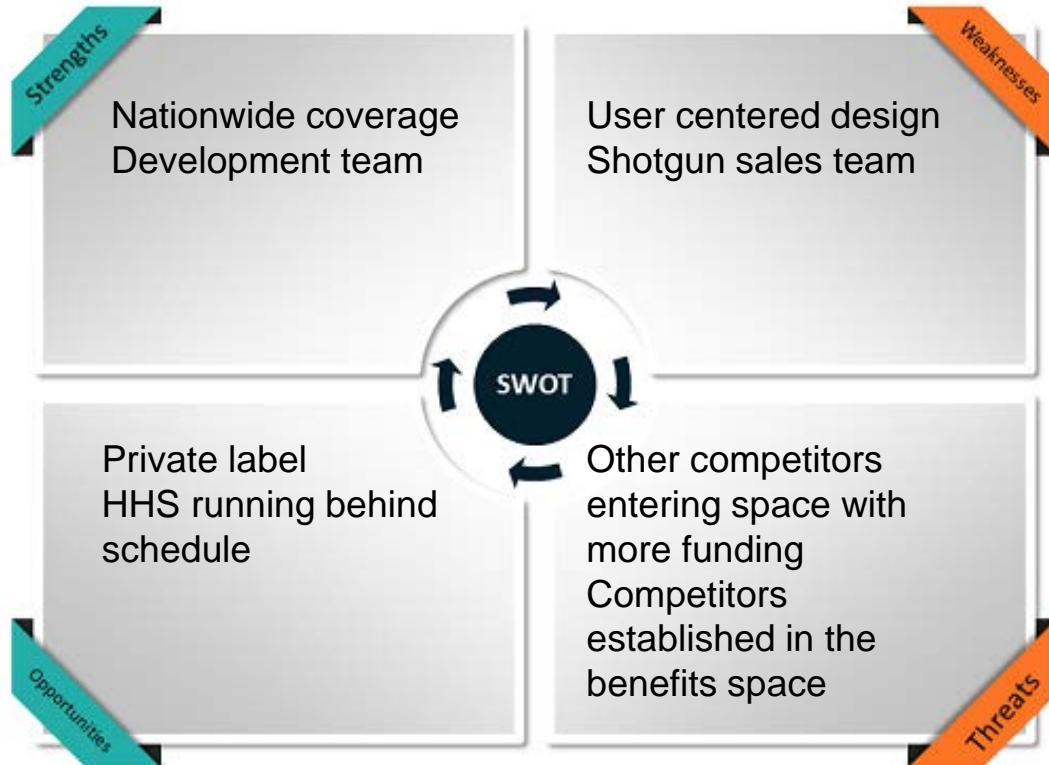
# Edwin SWOT - the hc.gov marketplace

## SWOT ANALYSIS



# Marlena SWOT - private marketplace

## SWOT ANALYSIS



# STP - Segmentation Targeting Positioning



# Marlena STP

medicare

subsidy  
eligible

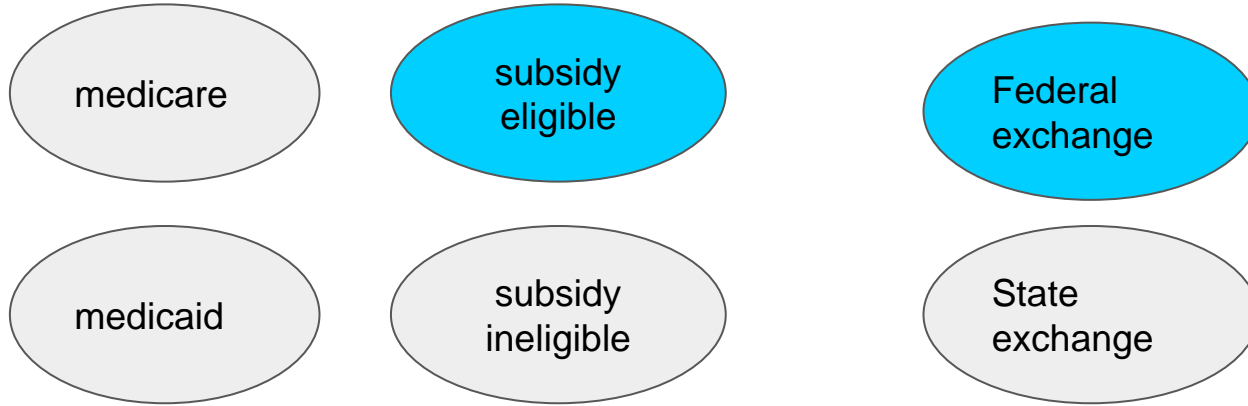
Federal  
exchange

medicaid

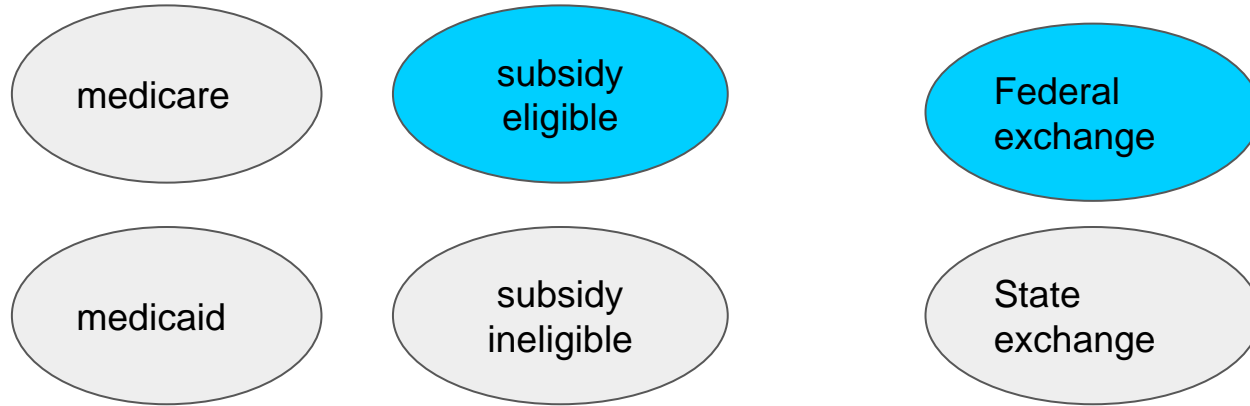
subsidy  
ineligible

State  
exchange

# Marlena STP



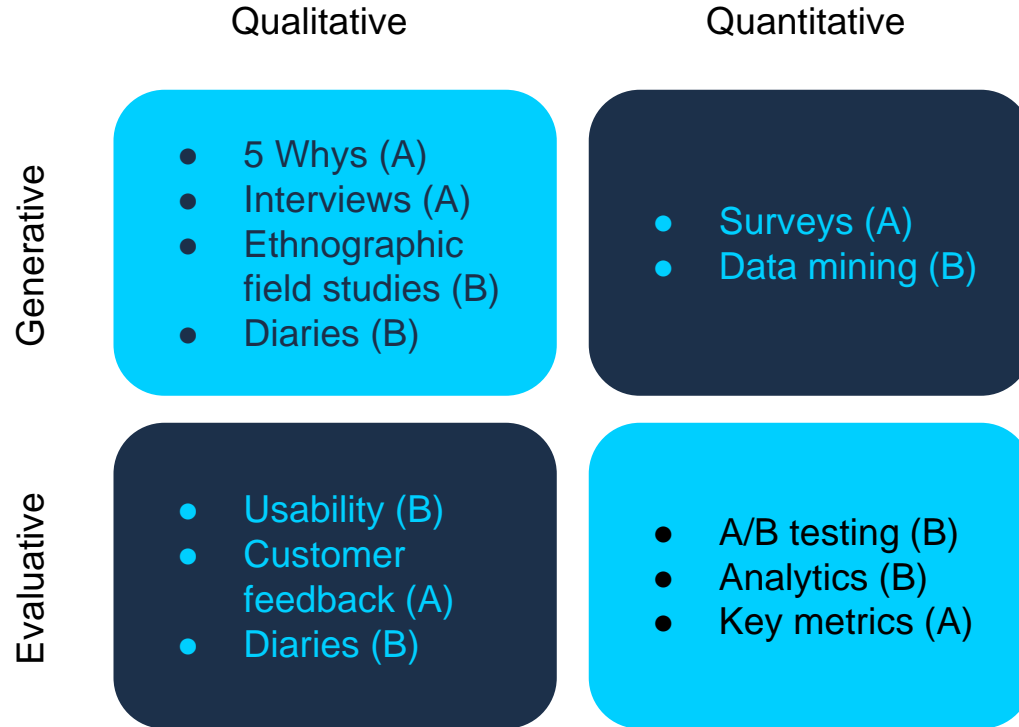
# Marlena STP



**The marketplace that offers not only the **largest selection** of private insurance plans (ACA and non-ACA); but also offers services that will allow you to **maximize your benefit** from those plans.**



# User Research



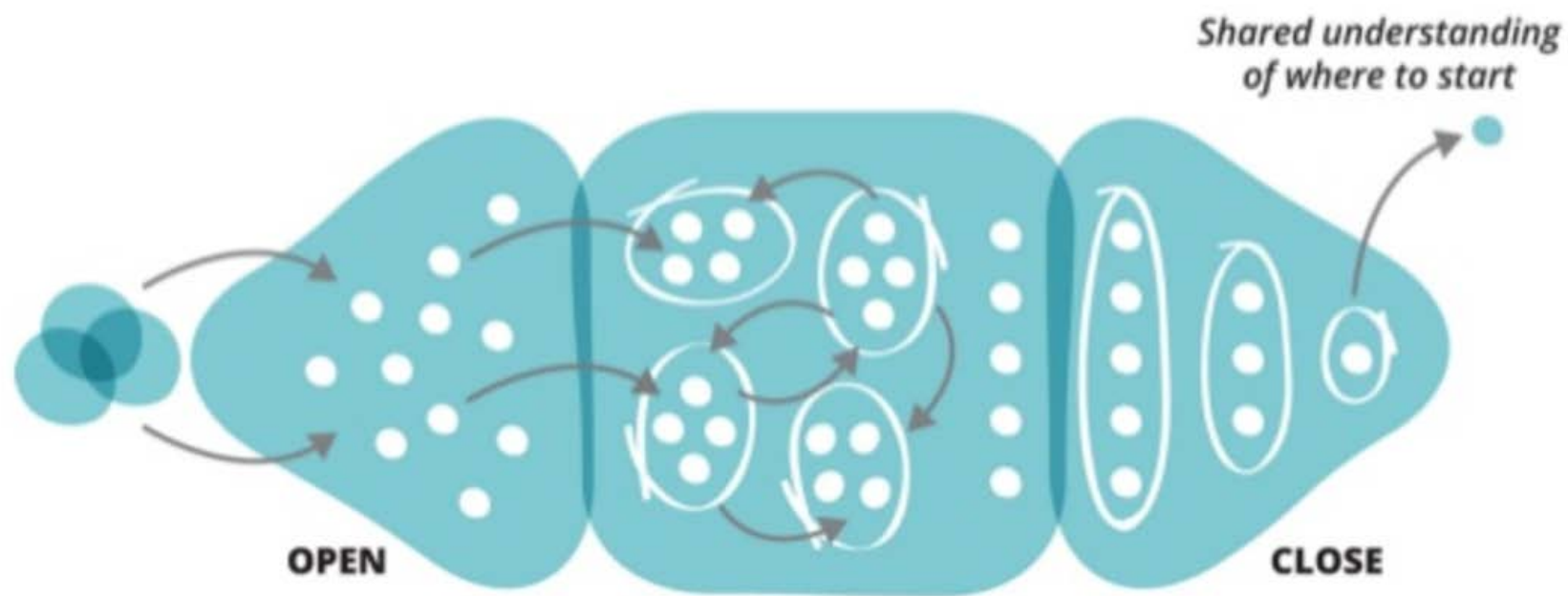
(A) - Attitudinal  
(B) - Behavioral

To cultivate a **deep and methodical understanding** of our market.

To cultivate a deep and methodical understanding of our market; which will allow us to **frame the problem** in a **systematic** fashion.

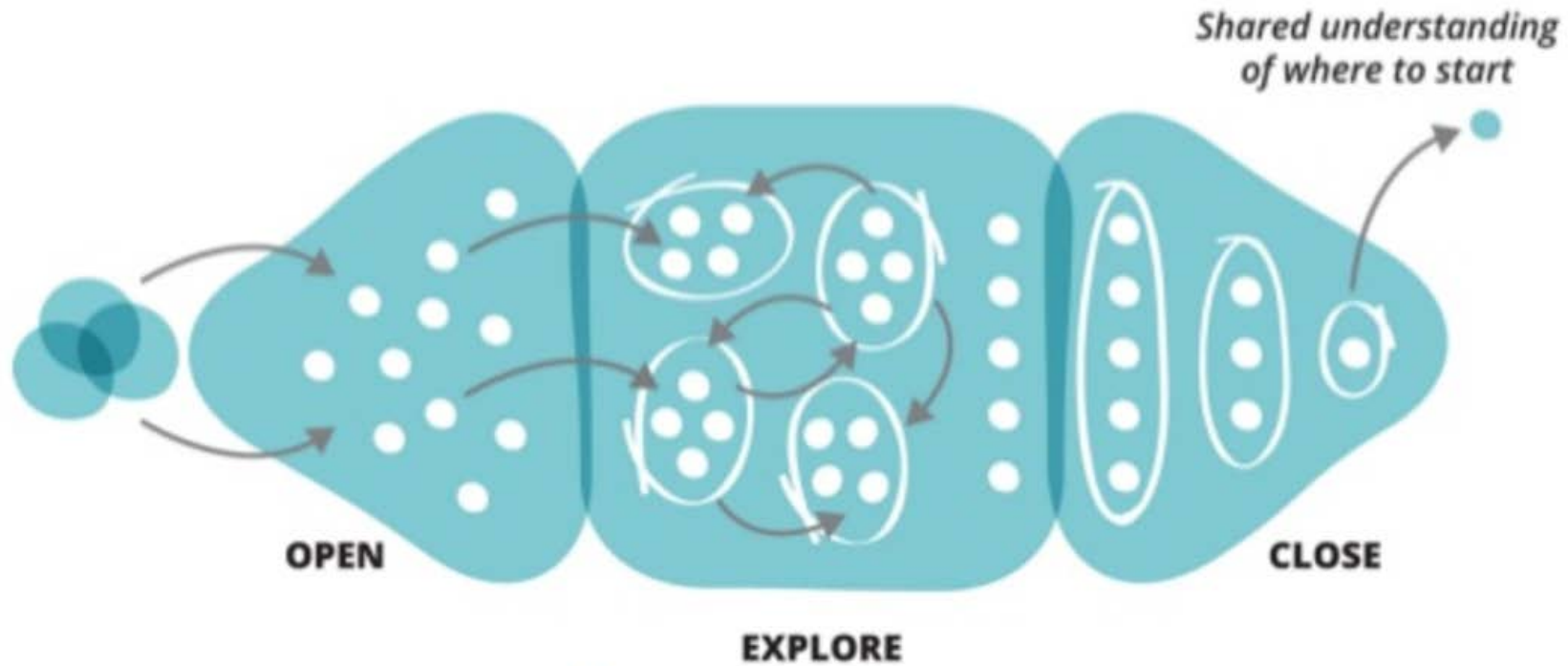
Market analysis is about taking a **broader view**.

Framing will then **narrow down your focus**.



**EXPLORE**





◀ market analysis ▶

◀ framing ▶

## Exercise & assignment:

- apply a few frameworks to your product
- plan what user research frameworks to apply

**Remember frameworks are just  
tools and processes.**



Remember frameworks are just tools and processes. **Product managers should choose and adapt the right tool for the problem at hand.**

# Next session: framing

# Product strategy 101

**strategy**

*noun*

**a plan of action or policy designed to  
achieve a major or overall aim**

A scenic landscape photograph of a mountain valley. In the foreground, a dense forest of evergreen trees covers the lower slopes. A calm lake is nestled in the valley floor. The middle ground features large, light-colored granite rock formations and steep slopes. In the background, more rugged mountains rise under a clear blue sky, with some snow visible on the higher peaks. A bright blue rectangular box is overlaid at the bottom of the image, containing white text.

**strategy is about the forest, not the trees**

# Vision, strategy, and tactics

Creating the product strategy

# Vision, strategy, and tactics

1

**Vision**

The aspiration, the idea

2

**Strategy**

The plan to achieve that aspiration

3

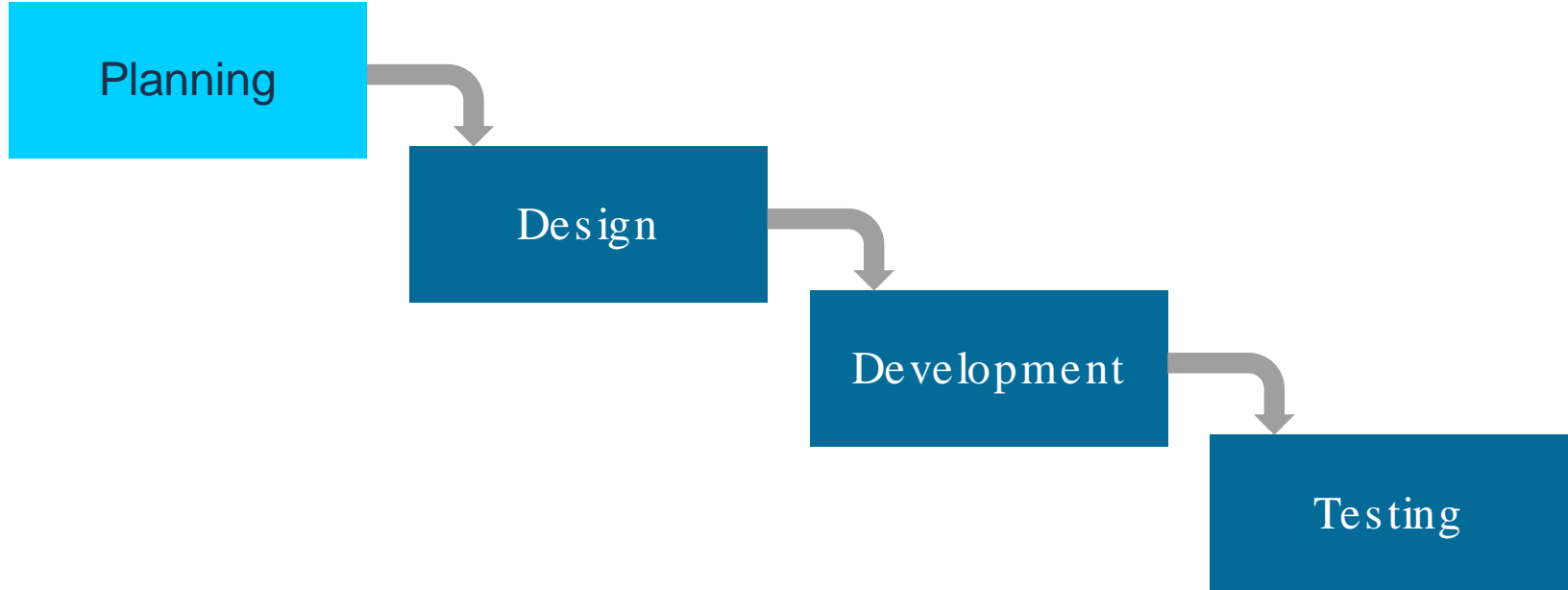
**Tactics**

Ensuring a successful plan execution

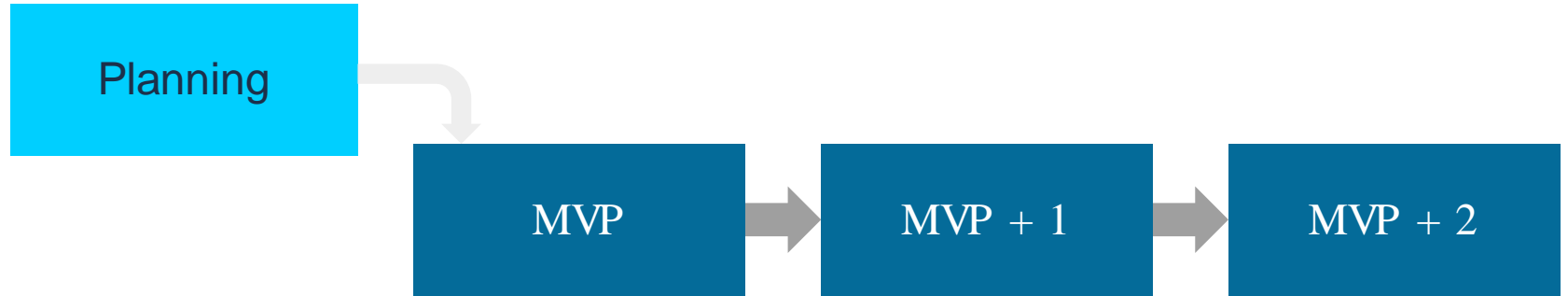
Hang on, isn't  
planning waterfall?



**Planning is baked into the traditional waterfall development process.**



Planning is baked into the traditional waterfall development process. **It's also key to the agile development process!**



## Planning

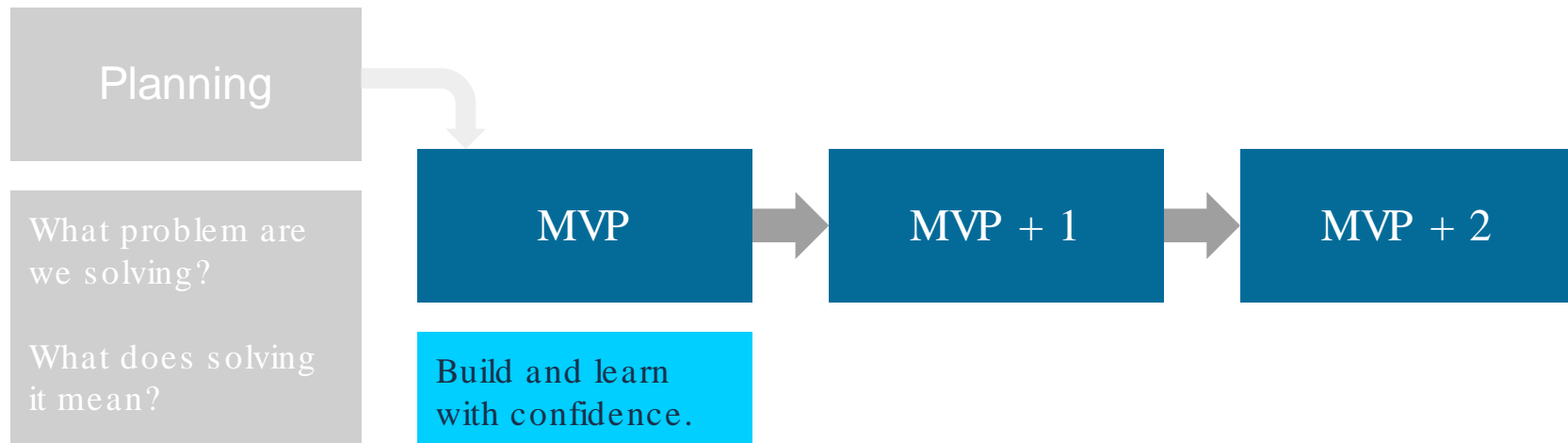
What problem are we solving?

What does solving it mean?

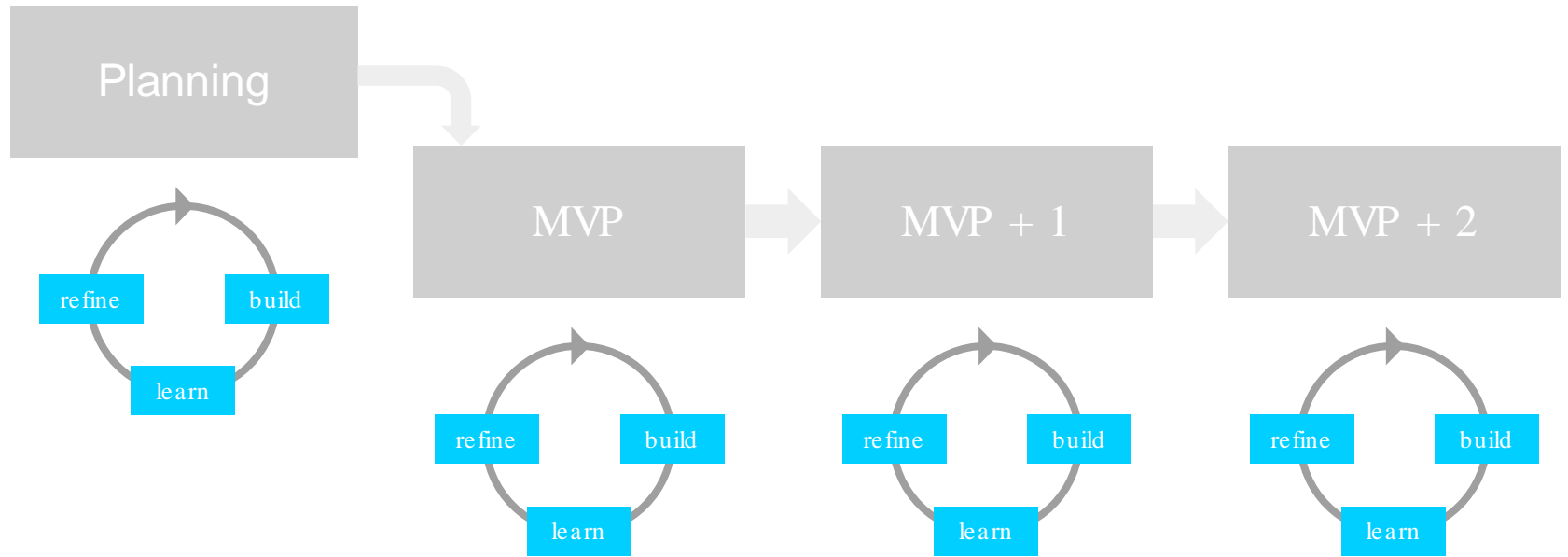
MVP

MVP + 1

MVP + 2

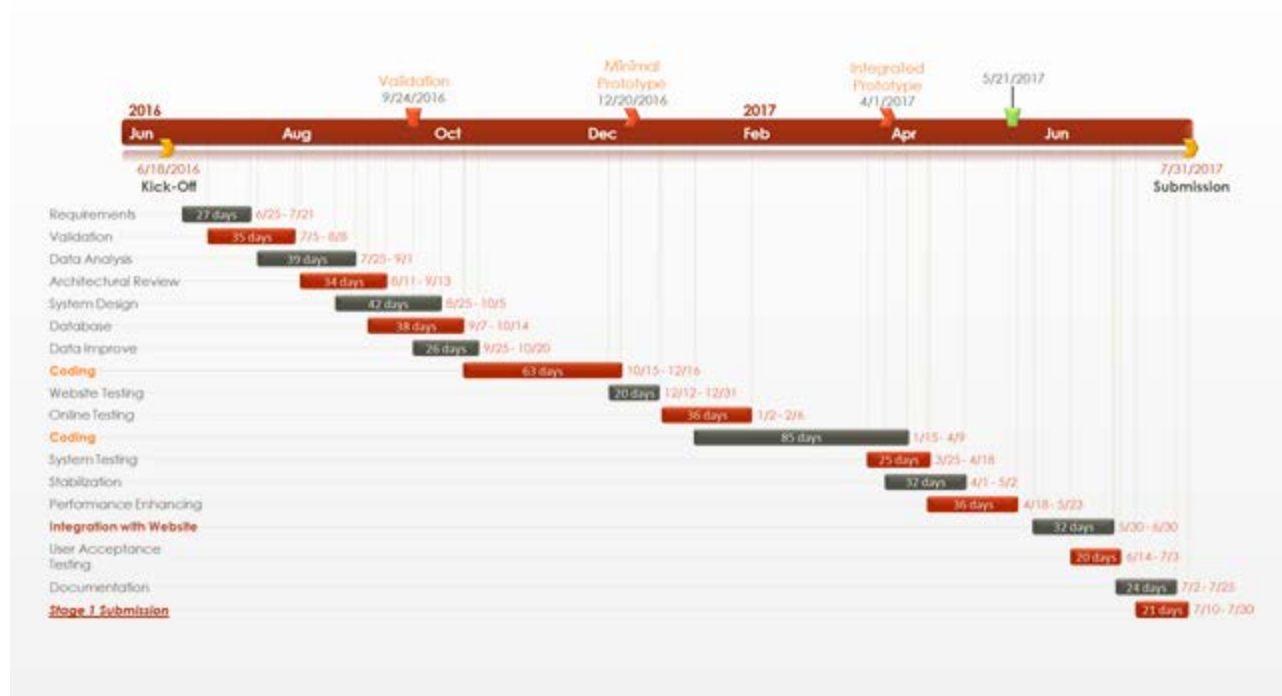


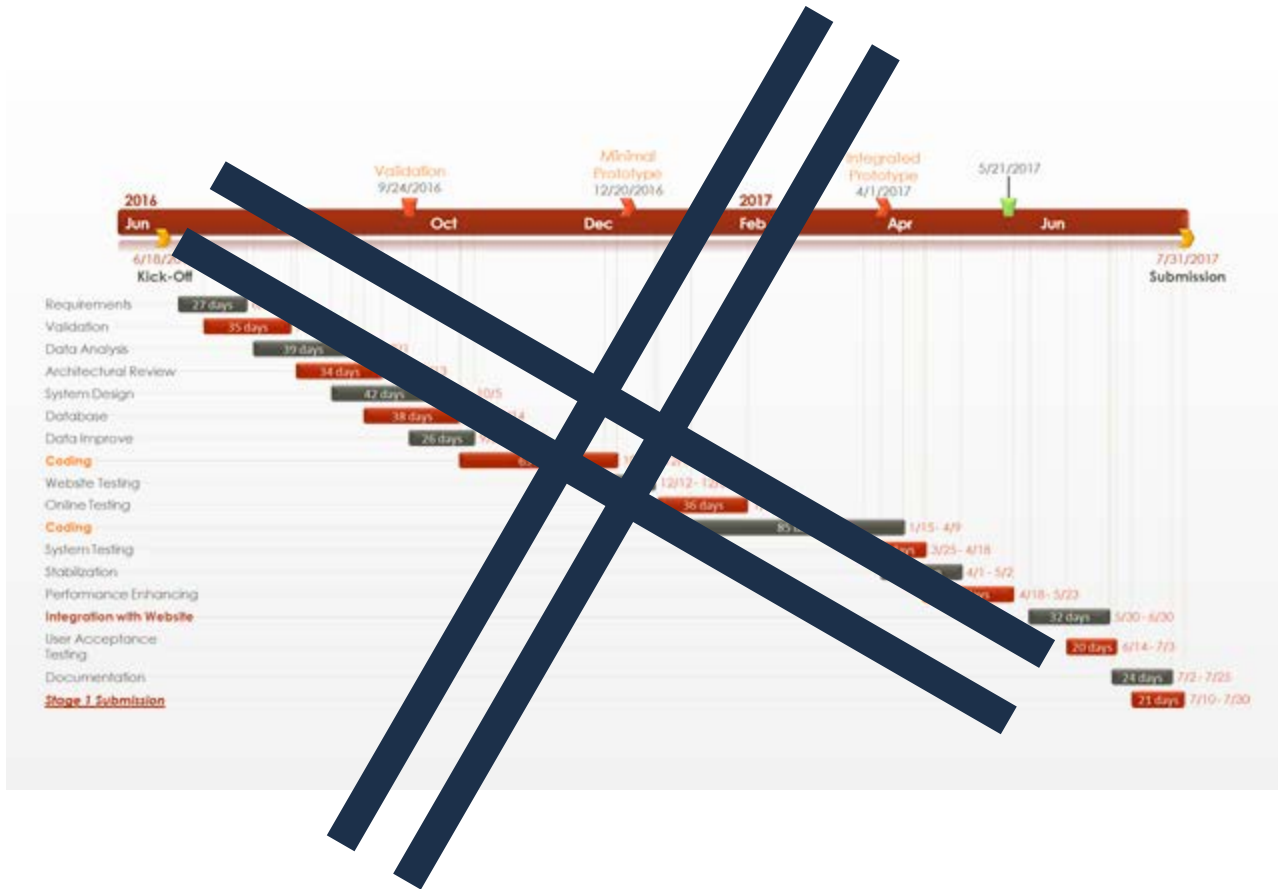
**And you can do your planning in an agile way.**





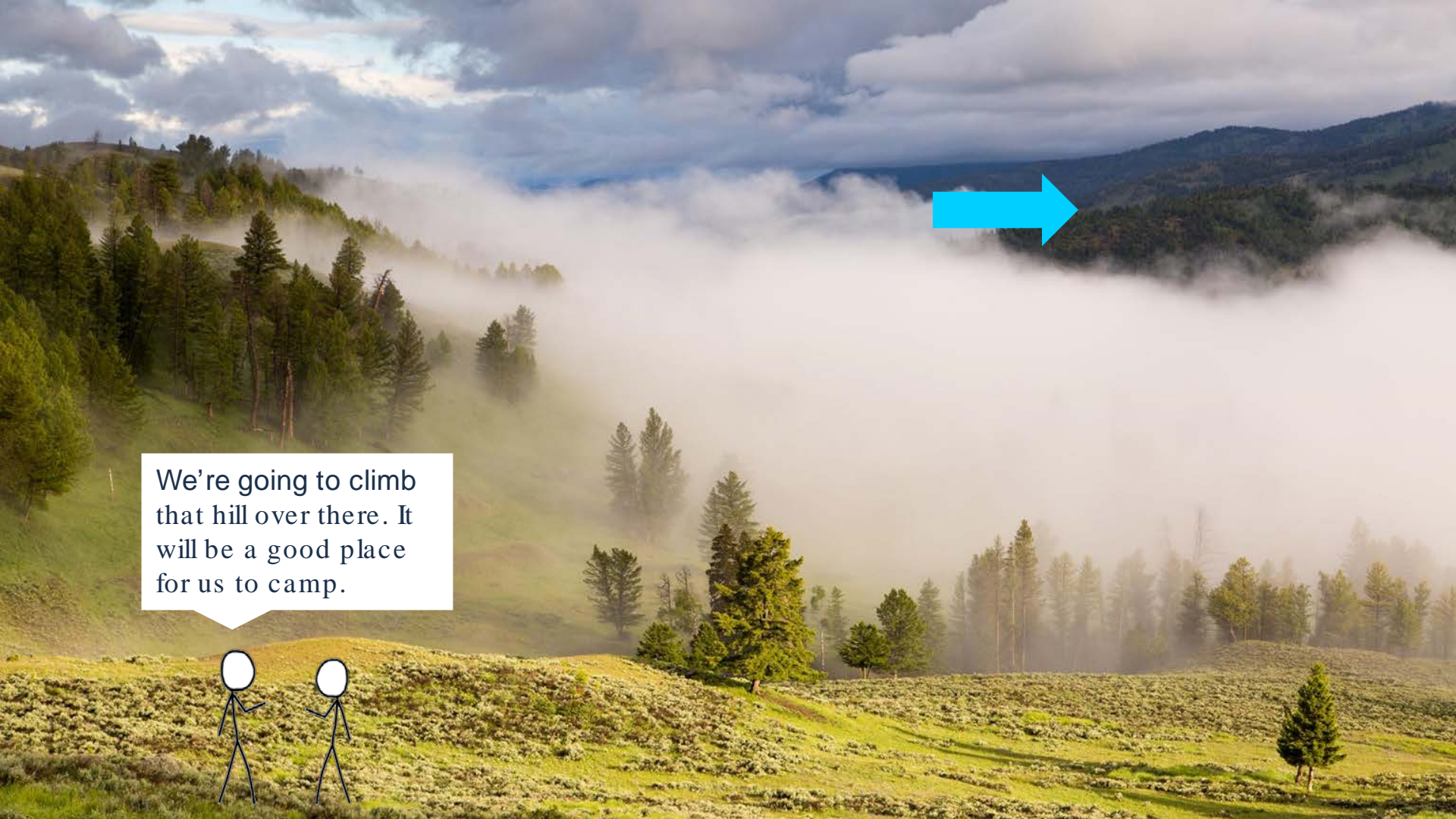
What does planning  
mean in today's world?



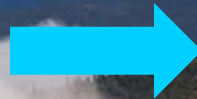


**Planning isn't about knowing everything up front and writing it down.**

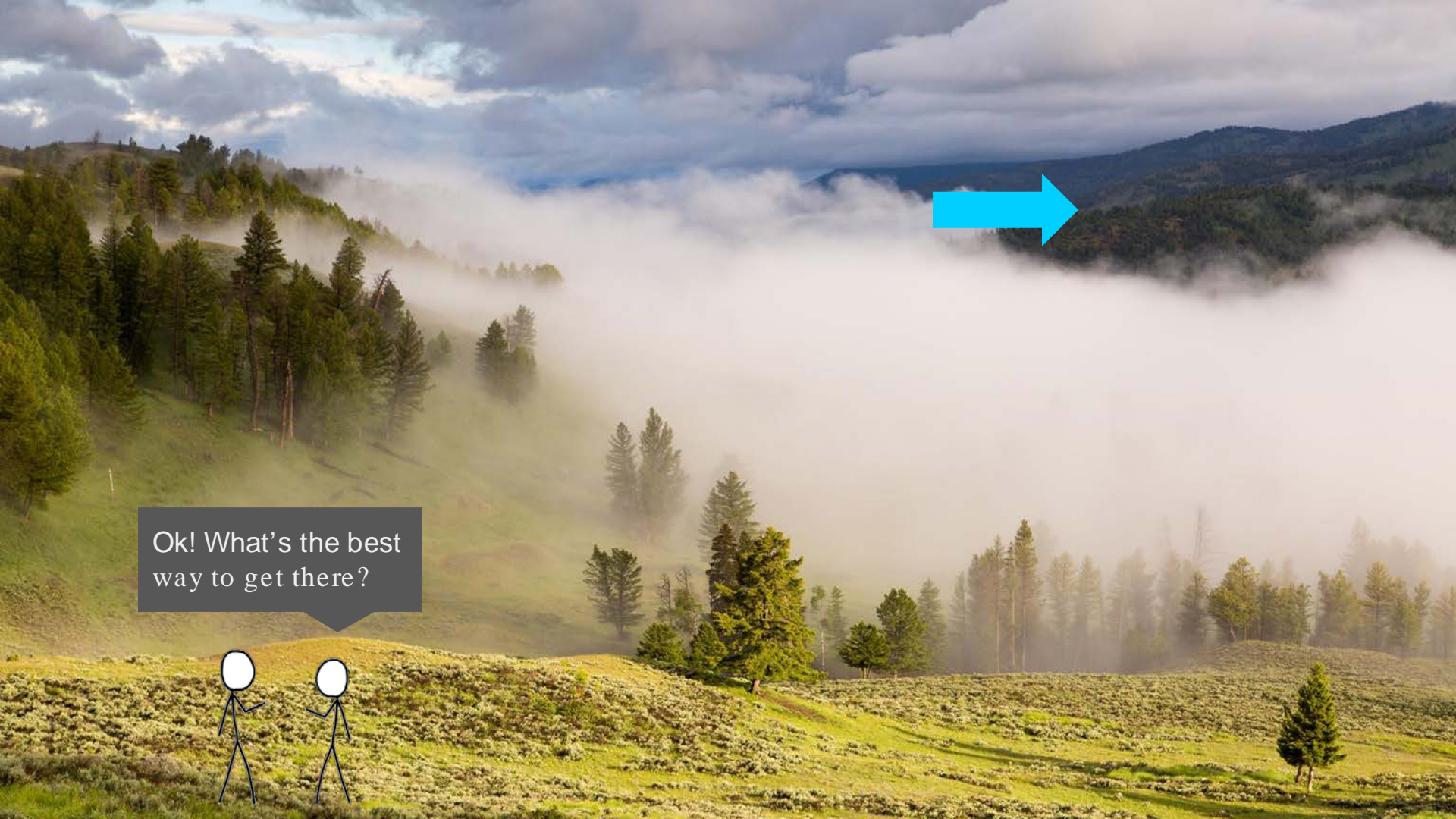
**Planning means knowing what you're trying to achieve (and why).**



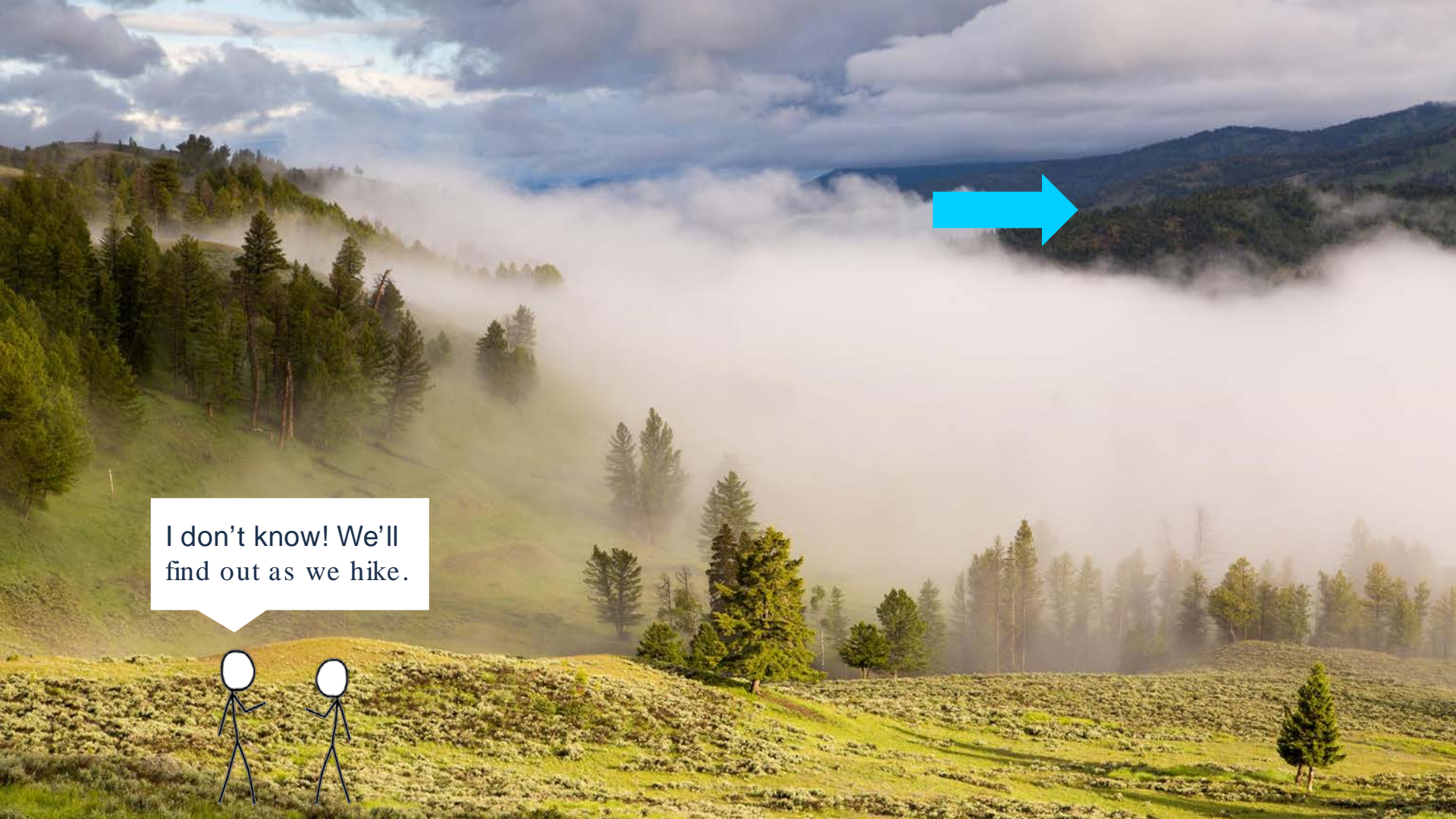
We're going to climb  
that hill over there. It  
will be a good place  
for us to camp.





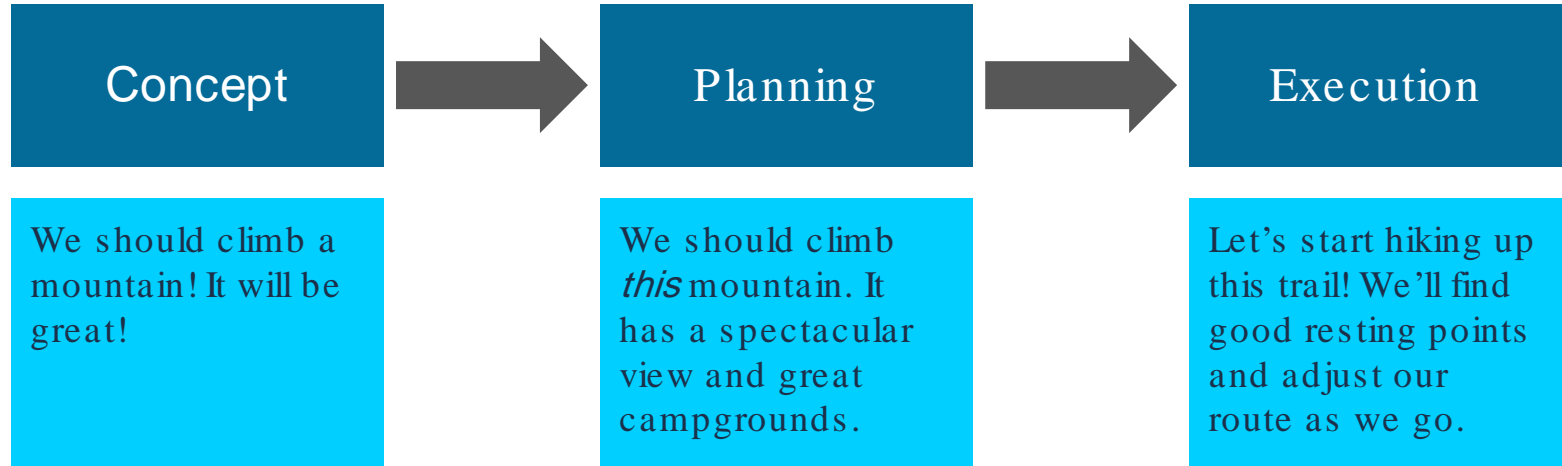


Ok! What's the best way to get there?



I don't know! We'll  
find out as we hike.







# Setting the product vision

# Elements of a product vision

**What is the problem you are solving?**

**Who are you trying to help?**

**What does the ideal world look like?**

**How does your solution get everyone there?**

**Why should they choose your solution over others?**

# How to create a vision



**Be aspirational: Where do we want to be in 15 years?**

**A good vision paints a picture of the future that draws people in**

**Be inclusive of all constituents:**

We want a world where [some  
constituent] is able to [get some  
clear value that is meaningful to  
*them*]

**We want a world where the public  
doesn't have to wait to receive  
government services**

We want a world where **workers** can **focus on having an impact** on people's lives, rather than on excel spreadsheets and minutia

We want a world where managers  
can easily get correct information  
when they need it so they can  
empower their employees

**We want finance to predict the costs  
of programs based on accurate data  
and analysis**



We want **policy** to be confident that  
the organization is abiding by all  
requirements through **policy**  
**automation**

**We want to empower the IT  
department to work hand in hand  
with the business to create and  
maintain great software**

We want **leadership** to be able to  
report that they are **delivering on**  
**their mission**

**Including all constituents in your vision will help you create a sustainable one**

# Combine into a vision statement

# Vision Statement

*noun*

A short 'elevator pitch' of the vision that the team and others can use to quickly explain the product and galvanize support

**Vision statements should be clear,  
concise, informative and  
inspirational**

**Vision statements address what  
constituents care about**



**Vision statements should be devoid  
of specific implementation details**

# Let's look some examples

## Example (CA Child Welfare)

We're coming up with software that helps social workers find great places for kids to go when their parents can't take care of them.

## Who's affected?

We're coming up with software that helps **social workers** find great places for **kids** to go when their parents can't take care of them.

## What's the problem?

We're coming up with software that helps social workers find great places for kids to go when **their parents can't take care of them.**

**How are we helping?**

**We're coming up with software that helps social workers** find great places for kids to go when their parents can't take care of them.

## What's the outcome?

We're coming up with software that helps **social workers find great places for kids to go** when their parents can't take care of them.

## Example (Micropurchase)

**We want to create a world where the Federal government can work out in the open with non-traditional vendors to get quality solutions delivered quickly and cost-effectively for the public.**



## Who's affected?

We want to create a world where **the Federal government** can work out in the open with **non-traditional vendors** to get quality solutions delivered quickly and cost-effectively for **the public**.

# What's the problem?

We want to create a world where the Federal government can work out in the open with non-traditional vendors to get **quality solutions** delivered quickly and cost-effectively for the public.

## How are we helping?

We want to create a world where the **Federal government can work out in the open with non-traditional vendors** to get quality solutions delivered quickly and cost-effectively for the public.

# What's the outcome?

We want to create a world where the Federal government can work out in the open with non-traditional vendors to get **quality solutions delivered quickly and cost-effectively for the public.**

**Your vision statement might also reference why your solution is better than others.**

## Example (Amazon):

**Our vision is to be earth's most customer centric company; to build a place where people can come to find and discover anything they might want to buy online.**

## Example (Pivotal Labs):

Pivotal is changing the world by building great software companies. Only Pivotal combines the best of the Silicon Valley state of mind with a business' core values and expertise to innovate and disrupt.

# What are the benefits of clear vision?



Your vision statement helps you and your team **communicate clearly** about the work you're doing **to anyone at any time.**

**Everyone can tell the same story  
with the same passion and  
conviction (so that *you* aren't the  
communication bottleneck).**

It also sets a **north star** for the team so that they are motivated and know how all of their work contributes to the cause.

And it helps you **pitch the value of your product** at every stage of the project.

**You will revisit and may adjust your vision at times as you learn more, but maintaining a clear, inclusive vision is critical to product success**

# What's your vision?

discussion

# Get at your vision

1

What problem are you solving? Why is it meaningful?

2

Who are your constituents? What's important to them?

3

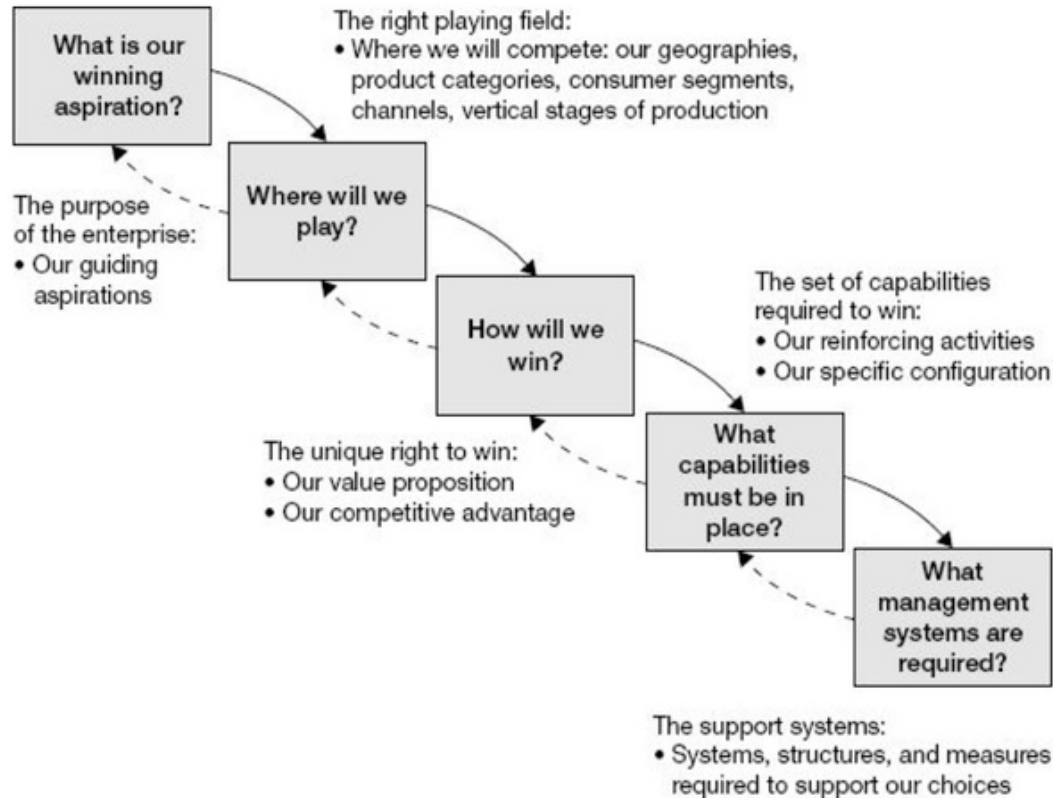
What is your vision? Why is your solution desirable to your constituents?

# Strategic frameworks 101



# The Lafley Cascade (playing to win)

## An integrated cascade of choices



**The Lafley Cascade is about picking an area where you can be dominant, and then identifying what you have to do to win in that space.**

**You can think of it as optimizing for what's special about you.**

example

# Tennis Canada

Become a leading  
tennis nation —  
top 50 worldwide.

aspiration

Where will we  
play?

How will we  
win?

What  
capabilities  
must be in  
place?

What  
management  
systems are  
required?

example

# Tennis Canada

Become a leading  
tennis nation —  
top 50 worldwide.

aspiration

Develop young  
players (under 10),  
aiming at men's  
and women's  
singles.

space

How will we  
win?

What  
capabilities  
must be in  
place?

What  
management  
systems are  
required?

example

# Tennis Canada

Become a leading  
tennis nation —  
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aspiration

Develop young  
players (under 10),  
aiming at men's  
and women's  
singles.

space

Top coaching —  
hired head of  
junior national  
center in France

advantage

What  
capabilities  
must be in  
place?

What  
management  
systems are  
required?

example

# Tennis Canada

Become a leading  
tennis nation —  
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Develop young  
players (under 10),  
aiming at men's  
and women's  
singles.

space

Top coaching —  
hired head of  
junior national  
center in France

advantage

Opened a new  
national tennis  
center with world  
class coaches

capabilities

What  
management  
systems are  
required?



example

# Tennis Canada

Become a leading  
tennis nation —  
top 50 worldwide.

aspiration

Develop young  
players (under 10),  
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national tennis  
center with world  
class coaches

capabilities

Encourage “study  
abroad” to take  
advantage of  
other coaching  
systems

management

# Blue Ocean

# 5 principles of Blue Ocean

1

Create  
uncontested  
market space

2

Make the  
competition  
irrelevant

3

Create and  
capture new  
demand

4

Break the  
value-cost  
tradeoff

5

Align around  
differentiation  
and low cost

**Blue Ocean strategy is about finding an unoccupied space and capitalizing on it, instead of spending energy fighting competitors.**

**This strategic approach prioritizes innovation and disruption.**

example

## Nintendo Wii

In a market focused on performance optimization and catering to hardcore gamers, Nintendo shifted dramatically away from their key competitors (Playstation and Xbox) and created a new market for themselves:

- + Removed hard disk and DVD functionality to cut costs
- + Reduced graphics processing to cut costs
- + Added a motion control stick to enable a new interaction
- + Doubled down on local multiplayer games
- + Marketed towards “non-gamers”

# Writing customer promises

**Customer promises help you frame the overall impact of your project, not just specific feature sets.**



**Every piece of work that anyone on the project does, no matter how big or small, must somehow support your customer promises.**

# Drawing from your vision statement

**A vision statement isn't a plan; it's a direction and a value system.**

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A vision statement isn't a plan; it's a direction and a value system. You have to break it down into a clear plan of action. **Think about your vision — what are its components?**

## Example (Amazon):

**Our vision is to be earth's most customer centric company; to build a place where people can come to find and discover anything they might want to buy online.**

Example (Amazon):

Our vision is to be **earth's most customer centric company**; to build a place where people can come to find and do everything they might want to buy online.

**The aspiration**

Example (Amazon):

Our vision is to be earth's most customer centric company; to build a place where people can come to find and discover anything they might want to buy online.

**Realistic goal**



Example (Amazon):

**Piece of  
the vision**

is to be earth's most  
customer-centric company; to build  
a place where people can come to  
**find and discover anything they  
might want to buy online.**

Example (Amazon):

**Piece of  
the vision**

Our vision is to be the world's most  
customer-centric company; to build  
a place where people can come to  
find and **discover anything they  
might want to buy online.**

# Drawing out customer promises

**Now that we understand the pieces of the vision, let's look at the end user experiences that enable them. These are the customer promises.**

**Customer promise:**  
**An Amazon customer can find (and buy) a product stocked by Amazon.**

**Customer promise:**  
**An Amazon customer can discover  
useful and interesting new products.**

**It's also important to think about how stakeholders and third parties fit into your vision. They may not be explicitly named, but they are still affected by your product choices.**

**Stakeholder promise:**  
**An Amazon retailer can promote new products to customers.**



# Practice

# Writing out your customer promises

What are the core components of your vision? Think in terms of services that you can provide to your end users.

Who are your end users? Do you have more than one group? What do they want to use your product to *do*? These high level workflows are your customer promises.

Who are your stakeholders? What do *they* want your product to do? How does that affect your end users?

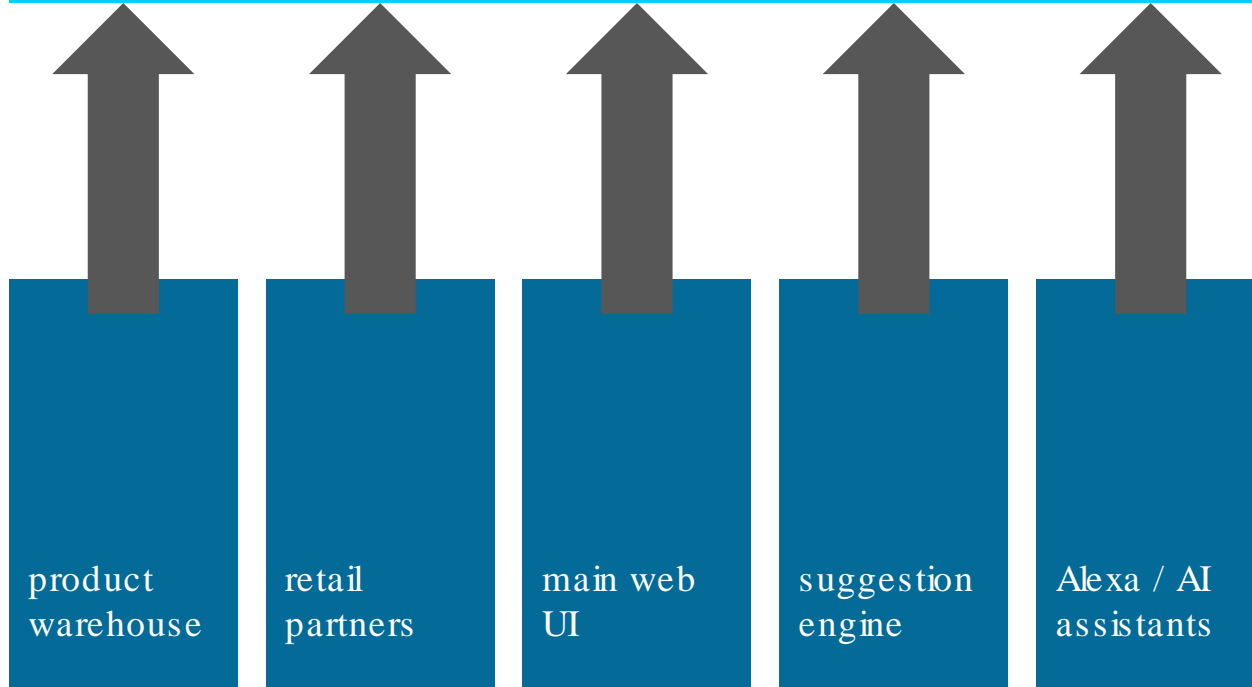
# Coordinating customer promises across teams

**Customer promises often span multiple facets of the product (and the organization).**

# Let's go back to Amazon's vision:

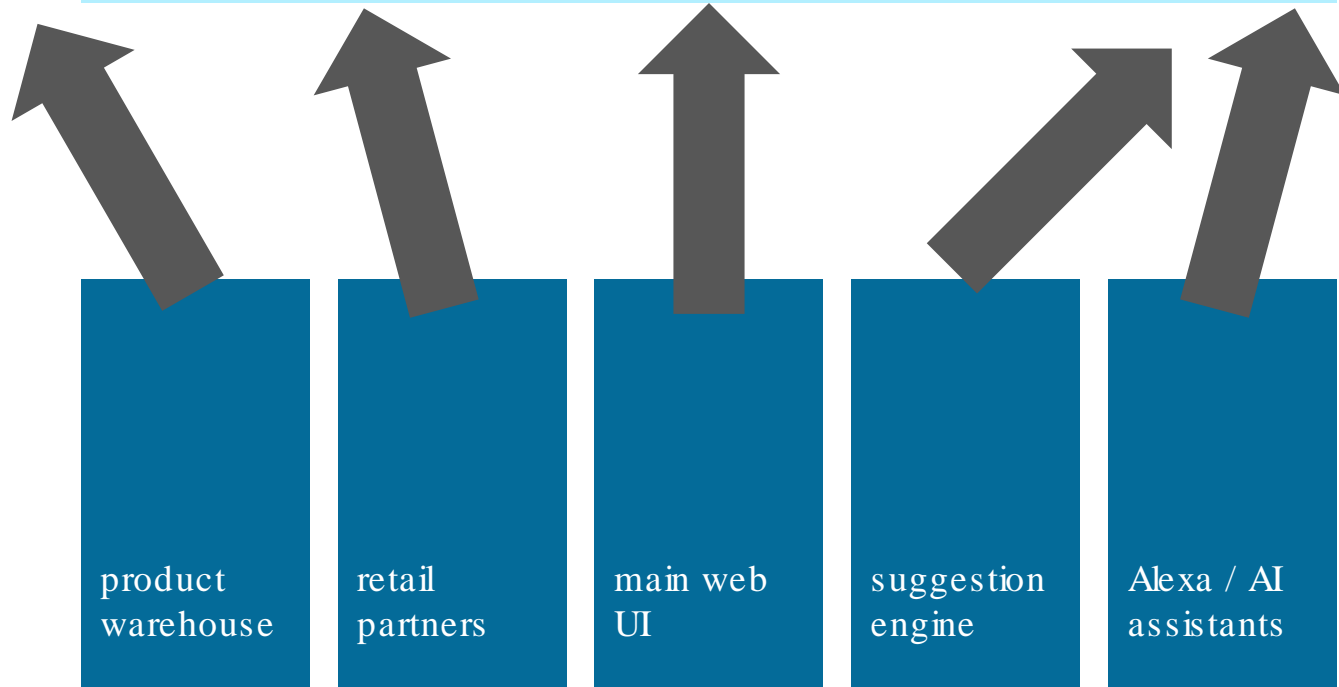
a place where people can come to find and discover anything they might want to buy online

a place where people can come to find and discover anything they might want to buy online



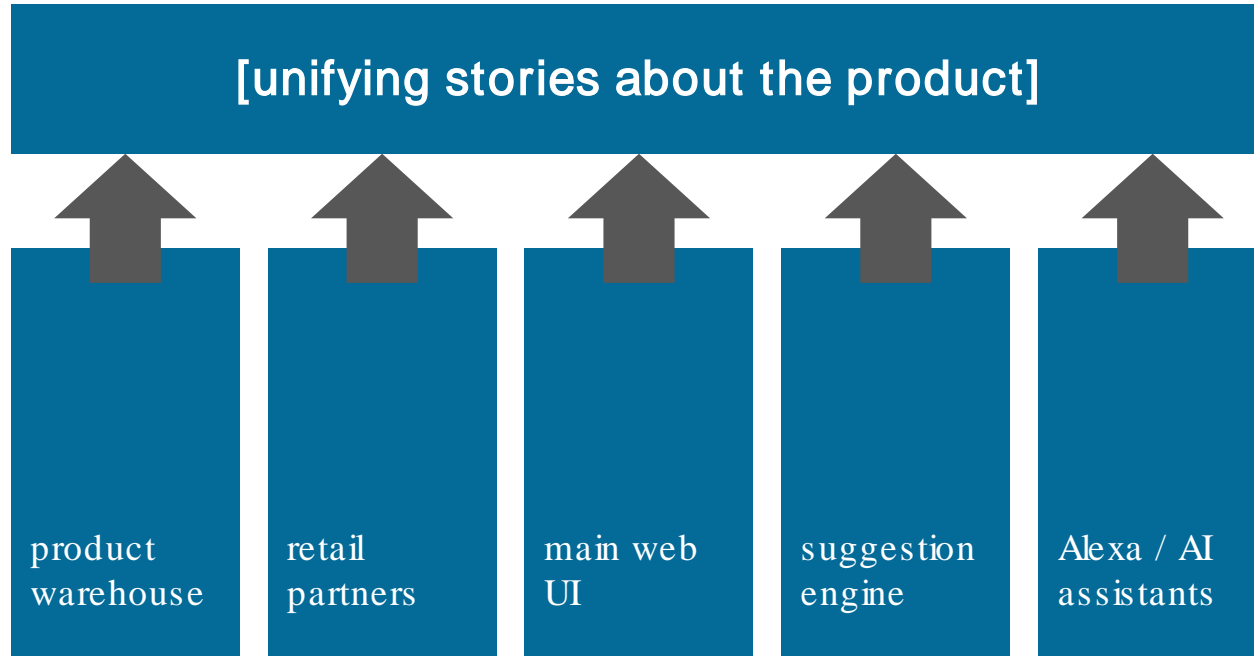
**Many teams support that vision.**

a place where people can come to find and discover  
anything they might want to buy online



**But it's hard to keep them aligned.**

a place where people can come to find and discover anything they might want to buy online

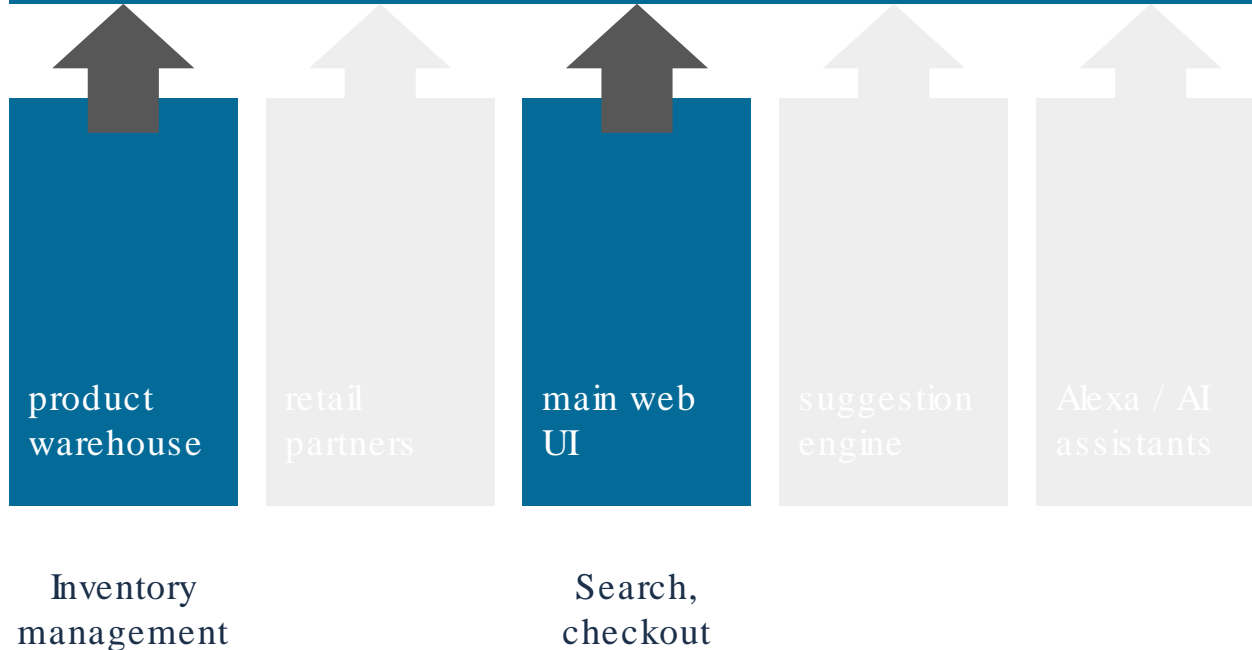


**Clear, actionable stories help.**



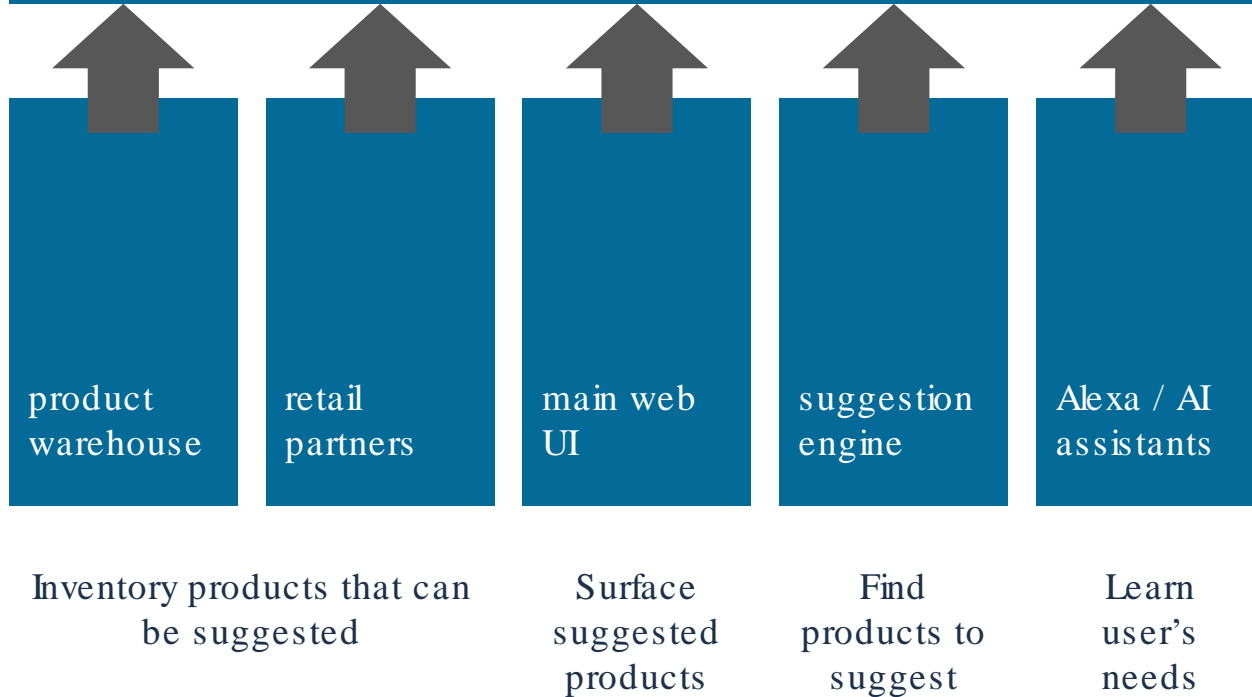
a place where people can come to find and discover anything they might want to buy online

An Amazon customer can find (and buy) a product stocked by Amazon.



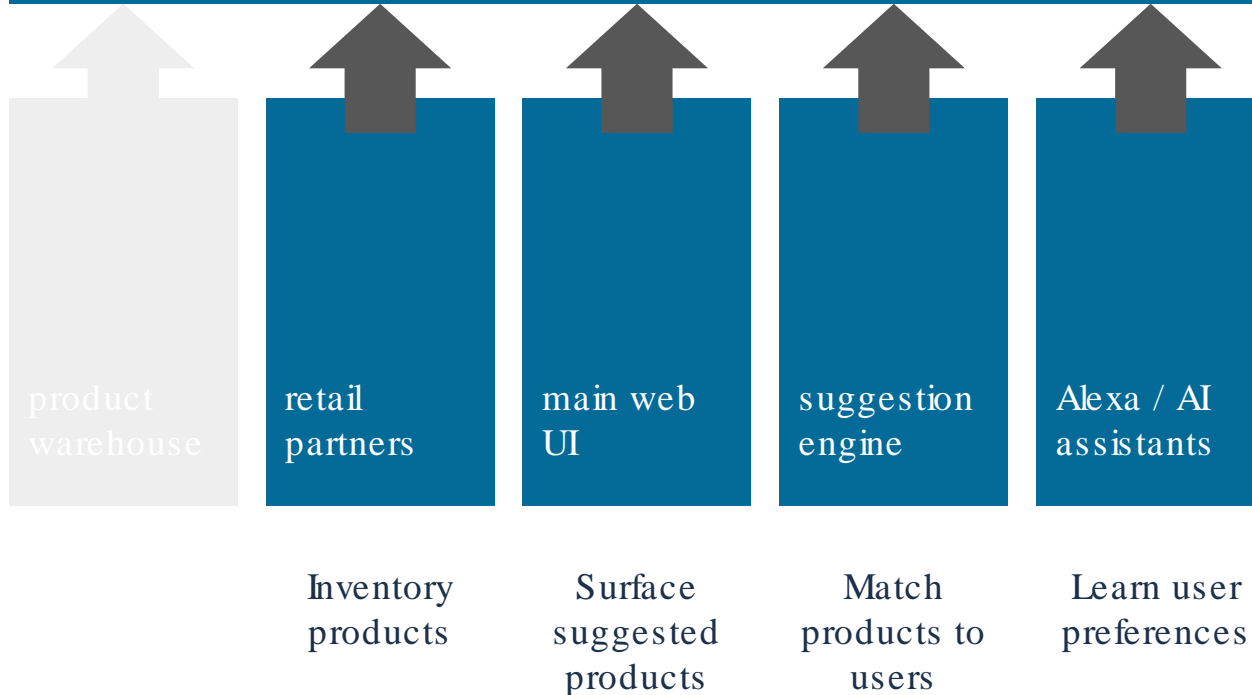
a place where people can come to find and discover anything they might want to buy online

An Amazon customer can discover useful and interesting new products.



a place where people can come to find and discover anything they might want to buy online

An Amazon retailer can promote new products to customers.



# Using customer promises to drive development

**Once you have customer promises,  
what do you do with them?**

**PM rule of thumb:  
When in doubt, prioritize.**

**Which customer promises do you  
need to knock out of the park?  
Which ones just need to get done?  
Which ones are nice-to-haves?**

**Then think about timing.**



Then think about timing. There are customer promises that naturally fit together, because they rely on shared infrastructural work.

Then think about timing. There are customer promises that naturally fit together, because they rely on shared infrastructural work. **Even if they're different priority levels, it makes sense to group them.**

**You can use that to create a rough roadmap for your product.**

You can use that to create a rough roadmap for your product. **Try not to have too many customer promises in play at any one time — your team needs to be able to keep track of what promises they're working on!**

## Remember:

Every piece of work that anyone on the project does, no matter how big or small, must somehow support your customer promises.

**That means that each of your work items should be explicitly connected to the customer promise(s) that they support.**

That means that each of your work items should be explicitly connected to the customer promise(s) that they support. **And, barring exceptions, the team should only work on items that support customer promises that are currently in play.**